

<p>Village President P. Sean Michels</p> <p>Village Clerk Cynthia Galbreath</p> <p>Village Administrator Brent M. Eichelberger</p>	 <p>10 S. Municipal Drive Sugar Grove, Illinois 60554 Phone: 630-466-4507 Fax: 630-466-4521</p>	<p>Village Trustees</p> <p>Robert Bohler Kevin Geary Mari Johnson Rick Montalto David Paluch Thomas Renk</p>
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**Agenda**  
**March 5, 2013**  
**Regular Board Meeting**  
**6:00 P.M.**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Hearing:
  - a. None
5. Appointments and Presentations
  - b. Proclamation: Recognizing Eagle Scout David Barnhart
  - c. Presentation: Settlers Ridge Bond Status
6. Public Comment on Items Scheduled for Action
7. Consent Agenda
  - a. Approval: Minutes of February 5, 2013 and February 19, 2013
  - b. Approval: Vouchers
  - c. Ordinance: Amending the Investment Policy
8. General Business
  - a. Ordinance: An Ordinance authorizing and providing for the issuance of approximately \$6,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Sugar Grove, Kane County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same
  - a. Resolution: Supporting Allocation of Prairie Parkway Funds
9. New Business
10. Reports
  - a. Staff Reports
  - b. Trustee Reports
  - c. Presidents Report
11. Public Comments
12. Airport Report
13. Closed Session: Land Acquisition, Personnel, Litigation
14. Adjournment

*The consent agenda is made up of items that have been previously discussed, non-controversial, or routine in subject manner and are voted on as a 'package'. However, by simple request any member of the Board may remove an item from the consent agenda to have it voted upon separately. Items that are marked as \* STAR – indicate that the item is Subject to Attorney Review*

Members of the public wishing to address the Board shall adhere to the following rules and procedures:

1. Complete the public comment sign-in sheet prior to the start of the meeting.
2. The Village President will call members of the public to the podium at the appropriate time.
3. Upon reaching the podium, the speaker should clearly state his or her name and address.
4. Individual comment is limited to three (3) minutes. The Village President will notify the speaker when time has expired.
5. Persons addressing the Board shall refrain from commenting about the private activities, lifestyles, or beliefs of others, including Village employees and elected officials, which are unrelated to the business of the Village Board. Also, speakers should refrain from comments or conduct that is uncivil, rude, vulgar, profane, or otherwise disruptive. Any person engaging in such conduct shall be requested to leave the meeting.
6. The aforementioned rules pertaining to public comment may be waived by the Village President, or by a majority of a quorum of the Village Board.
7. Except during the time allotted for public discussion and comment, no person, other than a member of the Board, shall address that body, except with the consent of two (2) of the members present.

<p>Village President P. Sean Michels</p> <p>Village Clerk Cynthia Galbreath</p> <p>Village Administrator Brent M. Eichelberger</p>	 <p>10 S. Municipal Drive Sugar Grove, Illinois 60554 Phone: 630-466-4507 Fax: 630-466-4521</p>	<p>Village Trustees</p> <p>Robert Bohler Kevin Geary Mari Johnson Rick Montalto David Paluch Thomas Renk</p>
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**Agenda**  
**March 5, 2013**  
**Committee of the Whole Meeting**  
**6:30 P.M.**

1. Call to Order
2. Roll Call
3. Public Comments
4. Discussion: Galena Blvd Senior Apartments
5. Discussion: Age-Based Residential Land Uses
6. Discussion: Authorizing an IGA with Fox Metro for Sanitary Sewer Maintenance
7. Discussion: Political Sign Regulation
8. Discussion: 2013 Zoning Map
9. Discussion: FY 2013-14 Budget
10. Closed Session: Land Acquisition, Personnel, Litigation
11. Adjournment

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** JUSTIN VANVOOREN, FINANCE DIRECTOR  
**SUBJECT:** ORDINANCE: AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF BONDS  
**AGENDA:** MARCH 5, 2013 REGULAR BOARD MEETING  
**DATE:** FEBRUARY 28, 2013

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**ISSUE**

Shall the Board authorize and provide for the issuance of 2013 General Obligation Alternate Revenue Refunding Bonds.

**DISCUSSION**

The Village Board last discussed refunding the Series 2006A bonds at the January 22, 2013 Regular Board meeting. Staff has been investigating the refunding of the 2006A Bonds since December 2012. The savings (constant dollars) as of February 27, 2013 are estimated at approximately \$260,700 and the present value savings is approximately \$228,200, which equates to about 4.1%. The Village needed to have a bond rating call with Standard & Poor's in order to complete the sale of this bond. I am pleased to announce that the Village maintained its A+ rating.

The draft Ordinance authorizing and providing for the issuance and the Escrow Agreement (for the refunded bonds) are available online. The final ordinance will combine the two attachments and be delivered on Tuesday, March 5 in order to include the results of the bond sale.

**COST**

The Village has not incurred any costs to date. The cost to issue the refunding bonds of approximately \$59,000 will be taken out of the proceeds of the 2013 Bonds. Please understand that the Village will not incur any costs unless these bonds are issued.

**RECOMMENDATION**

That the Board approve An Ordinance authorizing and providing for the issuance of \$6,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Sugar Grove, Kane County, Illinois, for the purpose of refunding

certain outstanding alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same.

## ESCROW AGREEMENT

This Escrow Agreement, dated as of March \_\_, 2013, but actually executed and delivered the date last hereinbelow written, by and between the Village of Sugar Grove, Kane County, Illinois, and Amalgamated Bank of Chicago, a banking corporation having trust powers, with its principal office located in the City of Chicago, Illinois, not individually but in the capacity as hereinafter described, for and in consideration of mutual covenants set forth:

### WITNESSETH:

#### ARTICLE I

##### DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning.

“*Agreement*” means this Agreement between the Village and the Escrow Agent.

“*Bond Ordinance*” means the ordinance passed by the Corporate Authorities on the 5th day of March, 2013, numbered \_\_\_\_\_ and entitled:

AN ORDINANCE authorizing and providing for the issuance of \$\_\_\_\_\_ General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Sugar Grove, Kane County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same.

authorizing the Bonds.

“*Bond Registrar*” means the bond registrar for the Refunded Bonds, namely, Amalgamated Bank of Chicago, Chicago, Illinois.

“*Bonds*” means, collectively, the \$\_\_\_\_\_ General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013A, and \$\_\_\_\_\_ Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013B, of the Village, a part of the proceeds of which are to be used for the refunding of the Refunded Bonds.

“*Call Date*” means, with respect to the Refunded Bonds, the earliest date of redemption, namely, December 15, 2014.

“*Corporate Authorities*” means the President and Board of Trustees of the Village, which is the governing body of the Village.

“*Escrow Account*” means the trust fund created under the terms of this Agreement with the Escrow Agent and comprised of the Government Obligations and a certain beginning deposit as more fully described in 2.02 hereof.

“*Escrow Agent*” means Amalgamated Bank of Chicago, a banking corporation having trust powers, with its principal office located in the City of Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

“*Government Obligations*” means the non-callable direct obligations of or non-callable obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement.

“*Paying Agent*” means the paying agent on the Refunded Bonds, namely, Amalgamated Bank of Chicago, Chicago, Illinois.

“*Refunded Bonds*” means the bonds described as follows:

\$5,575,000 General Obligation Bonds (Alternate Revenue Source), Series 2006A, dated June 15, 2006, issued on June 15, 2006, in the original aggregate principal amount of \$8,500,000, of the denomination of \$5,000 each, which are due on December 15 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT	RATE
2015	\$395,000	4.050%
2016	415,000	4.050%
2017	435,000	4.050%
2018	455,000	4.050%
2019	475,000	4.050%
2020	500,000	4.050%
2021	525,000	4.050%
2022	550,000	4.050%
2023	575,000	4.100%
2024	600,000	4.100%
2025	650,000	4.125%

which bonds are subject to redemption and payment prior to their maturity at the option of the Village, in whole or in part from any available funds on any date on or after December 15, 2014, at a redemption price of par and accrued interest to the date of redemption.

“*SLGS*” means U.S. Treasury Obligations of the State and Local Government Series.

“*Treasurer*” means the Treasurer of the Village.

“*Village*” means the Village of Sugar Grove, Kane County, Illinois.

## ARTICLE II

### CREATION OF ESCROW

2.01. The Refunded Bonds are hereby refunded by the provision hereby for the payment of all interest on and principal of and redemption premium, if any, on the Refunded Bonds from the date hereof through the Call Date (such payment to constitute the “*Aggregate Refunded Bond Payment Requirement*”), all by the deposit with the Escrow Agent of moneys sufficient to purchase the Government Obligations described in 2.02 hereof, which Government Obligations

(together with the beginning deposit of funds as described herein) will provide all moneys necessary to pay the Aggregate Refunded Bond Payment Requirement for the Refunded Bonds.

2.02. The Village has deposited with the Escrow Agent at the execution and delivery of this Escrow Agreement the sum of \$\_\_\_\_\_ derived from proceeds of the Bonds (“*Proceeds*”) and the sum of \$\_\_\_\_\_ derived from funds of the Village on hand and lawfully available for the purpose (“*Village Funds*”). The Proceeds and the Village Funds have been used to acquire the Government Obligations and to establish a beginning cash balance of \$\_\_\_\_\_ (“*Beginning Cash*”).

The Escrow Agent now holds the Government Obligations and the Beginning Cash as noted in *Exhibit A* attached hereto.

2.03. The Escrow Agent and the Village have each received the report of Grant Thornton LLP, Minneapolis, Minnesota, attached hereto as *Exhibit B* (the “*Verification Report*”), that the principal of and income and profit to be received from the Government Obligations, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest on and all principal of the Refunded Bonds up to and including the redemption date thereof as evidenced by said Report.

### ARTICLE III

#### COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the Village as follows:

3.01. The Escrow Agent will hold the Government Obligations and all interest, income and profit derived therefrom and all uninvested cash in a segregated and separate trust fund account for the sole and exclusive benefit of the Village and of the holders and registered owners of the Refunded Bonds and the Bonds, all to the purposes for which escrowed.

3.02. The Beginning Cash in the Escrow Account shall remain uninvested and be applied to the payment of first interest due therefrom. Thereafter, from time to time at each interest or principal payment date, certain ending balances may exist. The Escrow Agent agrees, without further order or direction whatever, to reinvest such ending balances in accordance with the terms of this section.

The Escrow Agent will reinvest all available uninvested balances rounded to an even \$100 in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000, and acknowledges that the schedule of amounts available for reinvestment appears in the cash flow tables in the Verification Report. Investments so made shall be in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America and shall be scheduled to mature on or prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of or interest on the Refunded Bonds. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the Bureau of Public Debt of the United States Treasury (currently designated "*U.S. Treasury Securities - State and Local Government Series Certificates of Indebtedness, Notes or Bonds*") ("*SLGS*"). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such

investments issued by the Bureau of Public Debt. The Escrow Agent expressly recognizes that under current regulations all SLGS must be subscribed for not less than 5 days nor more than 60 days prior to date of issuance. If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of SLGS causing the Escrow Agent to be unable to purchase SLGS, then the Escrow Agent will take the following actions. On the date it would have purchased SLGS had it been able to do so, the Escrow Agent will purchase direct obligations of or an obligations guaranteed by the full faith and credit of the United States maturing no more than 90 days after the date of purchase (the "*Alternate Investment*"). The purchase price of the Alternate Investment shall be as close as possible to the principal amount of the SLGS that would have been purchased on such date if they had been available for purchase. The Escrow Agent will purchase each Alternate Investment at a price no higher than the fair market value of the Alternate Investment and will maintain records demonstrating compliance with this requirement. On the maturity of each Alternate Investment, the Escrow Agent shall pay the difference between the total of the receipts on the Alternate Investment and the purchase price of the Alternate Investment to the Village with a notice to the Village that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the Alternate Investment matures more than 14 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow Agent shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in SLGS (or additional Alternate Investments as provided in this Section).

3.03. The Escrow Agent shall hold all balances not so invested on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

3.04. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Obligations which would cause the Bonds or the Refunded Bonds to be classified as “arbitrage bonds” under applicable sections of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder; *provided, however*, that it shall be under no duty to affirmatively inquire whether the Government Obligations as deposited are properly invested under said section; and, *provided, further*, that it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

3.05. The Escrow Agent will promptly collect the principal of, interest on and income and profit from the Government Obligations and promptly apply the same solely and only to pay the Aggregate Refunded Bond Payment Requirement from time to time as due for the Refunded Bonds.

3.06. The Escrow Agent will remit to the Paying Agent for the benefit of the Refunded Bonds, in good funds on or before each interest payment or principal payment and redemption dates, moneys sufficient to pay the Aggregate Refunded Bond Payment Requirement from time to time as due for the Refunded Bonds, and each such remittance shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

3.07. The Escrow Agent will make no payment of fees, charges or expenses due or to become due, of the Paying Agent or the bond registrar and paying agent on the Bonds, and the Village either paid such fees, charges and expenses in advance as set forth in Section 3.08 hereof or covenants to pay the same as they become due.

3.08. The charges, fees and expenses of the Escrow Agent (other than any charges, fees and expenses incurred pursuant to Section 3.12 hereof) have been paid in advance, and all charges, fees or expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Agent is also providing

bond registrar and paying agent services for one series of the Bonds, and the acceptance fee and first annual fee of the Escrow Agent for such bond registrar and paying agent services have been paid in advance, and all remaining charges, fees or expenses of the Escrow Agent for such services shall be paid by the Village upon receipt of invoices therefor.

3.09. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Village to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or Refunded Bonds.

3.11. The Refunded Bonds are hereby called for redemption on the Call Date for the Refunded Bonds at the redemption price therefor, stated again as follows:

AMOUNT	CALL DATE	PREMIUM	TOTAL
\$5,575,000	December 15, 2014	-0-	\$5,575,000

The form and time of the giving of the notice of redemption shall be as specified in 3.12 hereof.

3.12. The Escrow Agent will notify the Bond Registrar of such call for redemption and cause the Bond Registrar to provide for and give a timely notice of the call of the Refunded

Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing the issuance of the Refunded Bonds, namely, Ordinance Number 20060606C, adopted by the Corporate Authorities on the 6th day of June, 2006. If the Bond Registrar fails for any reason whatsoever to give such notice, the Escrow Agent will provide such assistance as the Village may reasonably require in connection with the redemption of the Refunded Bonds. The Village shall reimburse the Escrow Agent for any actual out of pocket expenses incurred in providing such assistance, but the failure of the Village to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

The Escrow Agent shall also give notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at <https://msrb.org>.

3.13. The Escrow Agent will submit to the Treasurer a statement within forty-five (45) days after June 15 and December 15 of each calendar year, commencing June 15, 2013, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Bonds to June 15, 2013), and also listing the Government Obligations on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Obligations.

3.14. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Obligations and funds on deposit in the Escrow Account will not be sufficient to make any payment (whether principal, interest or premium) due to the holders or registered owners of any of the Refunded Bonds, as and to the extent provided herein, the Escrow Agent shall notify the Village not less than five (5) days prior to such date, and the Village agrees that it will from any funds lawfully available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

#### **ARTICLE IV**

##### **COVENANTS OF VILLAGE**

The Village covenants and agrees with the Escrow Agent as follows:

4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Village herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Ordinance, and (c) any undertaking or statement of the Village hereunder or under said Bond Ordinance.

4.02. To the fullest extent it is required under the terms of the Refunded Bonds, the Village will promptly and without delay remit to the Escrow Agent, within ten days after receipt of its written request, such sum or sums of money as are necessary to make the payments required under 3.14 hereof and to fully pay and discharge any obligation or obligations or charges, fees or expenses incurred by the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement. The Village will promptly pay all Paying Agent's and Bond Registrar's fees.

4.03. The Village does hereby waive any right to pay at maturity or redeem on any other date than as herein specified any of the Refunded Bonds which are refunded under the terms of this Escrow Agreement.

## ARTICLE V

### AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

5.01. This Agreement may be amended or supplemented to provide that the Government Obligations or any portion thereof may be sold or redeemed, and moneys derived therefrom invested, reinvested (but only in other direct full faith and credit obligations of the U.S. Treasury which are not redeemable by the Treasury prior to maturity) or disbursed in any manner provided (any such amendment, supplement, direction to sell or redeem or invest, reinvest or disburse to be referred to as a “*Subsequent Action*”), upon submission to the Escrow Agent of each of the following:

A. Certified copy of proceedings of the Corporate Authorities authorizing the Subsequent Action and copy of the document effecting the Subsequent Action signed by duly designated officers of the Village.

B. An opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds that the Subsequent Action will not cause the interest on the Bonds or any of the Refunded Bonds to become includible in the gross income of the owners for federal income tax purposes and not exempt from federal income taxes of such owners under the laws of the United States of America providing for taxation of income as and to the extent contemplated when such bonds were issued and that the Subsequent Action does not materially adversely affect the legal rights of the registered owners or holders of the Bonds or any of the Refunded Bonds.

C. An opinion of a firm of nationally recognized independent certified public accountants that the amounts, which must consist of funds or receipts from direct full faith and credit obligations of the United States of America, not subject to redemption

prior to maturity, all of which shall be held hereunder, available or to be available for payment of the Refunded Bonds will remain sufficient after the Subsequent Action to pay when due the Aggregate Refunded Bond Payment Requirement then remaining to be paid.

5.02. The Village and the Escrow Agent may amend or add to the terms of this Agreement to correct errors, clarify ambiguities or insert inadvertently omitted material but only if any such correction, clarification or insertion has absolutely no adverse impact on the holders or registered owners of the Bonds or any of the Refunded Bonds. The Village may supplement this Agreement by providing for notice prior to any amendment to such parties as it may name in any such supplement, which will be effective upon filing with the Escrow Agent.

5.03. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

5.04. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Village hereunder shall be irrevocable and shall not be subject to amendment by the Village and shall be binding on any successor to the officials now comprising the Corporate Authorities during the term of this Agreement.

5.05. Except as provided in 5.01 and 5.02 hereof, all of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

## **ARTICLE VI**

### **NOTICES**

6.01. All notices and communications to the Village and the Corporate Authorities shall be addressed in writing to:

Village Clerk  
Village of Sugar Grove  
10 South Municipal Drive  
Sugar Grove, Illinois 60554

or at such other address as is furnished from time to time by the Village.

6.02. All notices and communications to the Escrow Agent shall be addressed in writing to:

Amalgamated Bank of Chicago,  
One West Monroe, Third Floor  
Chicago, Illinois 60603

or at such other address as is furnished from time to time by the Escrow Agent.

6.03. All notices and communications to the Treasurer shall be addressed in writing to:

Treasurer  
Village of Sugar Grove  
10 South Municipal Drive  
Sugar Grove, Illinois 60554

or at such other address as is furnished from time to time by the Treasurer.

## **ARTICLE VII**

### **MERGER, CONSOLIDATION OR RESIGNATION OF ESCROW AGENT**

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights,

obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. The Escrow Agent may at any time resign as Escrow Agent under this Agreement by giving 30 days' written notice to the Village, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Village. The Village may select as successor Escrow Agent any financial institution with capital, surplus and undivided profits of at least \$75,000,000 and having a corporate trust office within the State of Illinois, and which is authorized to maintain trust accounts for municipal corporations in Illinois under applicable law.

## **ARTICLE VIII**

### **TERMINATION OF AGREEMENT**

Upon the final disbursement for the payment of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Village, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF the Village has caused this Agreement to be signed in its name by its President, to be attested by the Village Clerk under its corporate seal hereunto affixed; and the Escrow Agent, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its and to be attested by one of its under its corporate seal hereunto affixed, all this \_\_\_\_ day of March, 2013.

VILLAGE OF SUGAR GROVE  
KANE COUNTY, ILLINOIS

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Village Clerk

[SEAL]

AMALGAMATED BANK OF CHICAGO

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

The foregoing Escrow Agreement has been received and acknowledged by me as of the date last written.

\_\_\_\_\_  
Treasurer  
Village of Sugar Grove  
Kane County, Illinois

**EXHIBIT A**

**GOVERNMENT OBLIGATIONS**

**EXHIBIT B**  
**VERIFICATION REPORT**

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** JUSTIN VANVOOREN, FINANCE DIRECTOR  
**SUBJECT:** ORDINANCE: AMENDING THE INVESTMENT POLICY  
**AGENDA:** MARCH 5, 2013 REGULAR BOARD MEETING  
**DATE:** FEBRUARY 28, 2013

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**ISSUE**

Shall the Village Board approve an amended Investment Policy.

**DISCUSSION**

Staff presented the Village Board an option to purchase our own General Obligation Alternate Revenue Source Bonds, Series 2013B at the February 19, 2013 Regular Village Board meeting. Staff did not anticipate this option when the Village Board adopted the new Investment Policy at the November 6, 2012 Regular Village Board meeting.

The attached policy revises our permitted investments to include the Village's own bonds maturing not more than 5 years from the date of purchase.

**COST**

There are no costs associated with approval of the Investment Policy.

**RECOMMENDATION**

That the Village Board adopt an Ordinance approving an Investment Policy for the Village of Sugar Grove.

# Village of Sugar Grove Investment Policy

## I. Purpose

The purpose of this investment policy (Policy) is to formalize the framework for the Village of Sugar Grove, Illinois' (Village) investment activities. This policy applies to all of the Village's financial assets and is intended to be broad enough to allow the Village to function properly within the parameters of responsibility and authority, while adequately safeguarding such assets. All transactions involving the Village's financial assets, and related activity, shall be administered and conducted in accordance with this Policy.

## II. Governing Authority

The Village's investment program shall comply at all times with the Illinois Public Funds Investment Act (30 ILCS 235/1 *et seq.*) and other state laws governing the investment of public funds, as amended from time to time. In the event of any conflict between this Policy and the Illinois Public Funds Investment Act and other state laws, the provisions of the Illinois Public Funds Investment Act and other state laws shall control.

## III. Scope

This Policy applies to the investment activities of the Village with regard to the financial assets of all funds, with the following exceptions:

- A. The Village of Sugar Grove Police Pension Fund is governed by the Sugar Grove Police Pension Board and has a separate investment policy.
- B. Funds set aside to decrease Village debt in conjunction with a refunding agreement will be invested in accordance with appropriate bond documents and not necessarily in compliance with this Policy.
- C. Should bond covenants be more restrictive than this Policy, funds will be invested in full compliance with those restrictions.

The following funds are accounted for in the Village's Comprehensive Annual Financial Report and are covered under this Policy:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Agency Funds
- Any new fund created by the Village President and Board of Trustees (collectively the "Board"), unless specifically exempted above

Village of Sugar Grove  
Investment Policy (Continued)

III. Scope (Continued)

Except for cash and investments in certain restricted and special funds, the Village commingles its cash and investments to maximize investment earnings and to increase efficiencies with regard to pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with accounting principles generally accepted in the United States of America.

IV. General Objectives

The primary objectives (Objectives), in order of priority, of all investment activities involving the financial assets of the Village shall be:

- A. Safety: Safety shall be the foremost objective of this Policy and refers to the preservation of capital and protection of investment principal. Village investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the Village's overall portfolio (Portfolio) by mitigating credit and interest rate risk.
  1. Credit Risk: Credit risk is the risk that an issuer of a debt security will not pay its par value upon maturity. The goal will be to minimize credit risk by:
    - Limiting investments to the types of securities identified in Section IX of this Policy; and
    - Diversifying the Portfolio in accordance with Section XI of this Policy, so that potential losses on individual securities will be minimized. Diversification reduces the risk that potential losses on individual securities might exceed the income generated from the remainder of the Portfolio.
  2. Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The goal will be to minimize interest rate risk by:
    - Structuring the Portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and
    - Investing operating funds primarily in shorter-term securities, money markets, or similar investment pools.
- B. Liquidity: The Portfolio shall maintain sufficient liquidity to enable the Village to meet all operating requirements and expected liabilities which may be reasonably anticipated in any Village fund.
- C. Return: The Portfolio shall be designed to obtain a reasonable return, which for the purposes of this Policy means the Portfolio should obtain a market-average rate of return in accordance with Section XIV of this Policy, taking into account the Village's investment risk constraints and cash flow needs of the Village's funds.

Village of Sugar Grove  
Investment Policy (Continued)

V. Standards of Care

- A. Prudence: The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investments and deposits of public funds shall be made with judgment and care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Village officers and employees acting in accordance with this Policy, and any other written procedures, and exercising due diligence shall be relieved of personal liability for an individual security’s credit risk or market changes, provided that officers and employees report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.
- B. Maintaining the Public Trust: All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Village.
- C. Ethics and Conflicts of Interest: Officers and employees of the Village who are involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Board any material interests in financial institutions with which they conduct business. They shall further disclose any material personal financial or investment positions that could be related to the performance of the Portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Village, particularly with regard to the timing of purchases and sales.

VI. Delegation of Authority and Responsibilities

- A. Governing Body: The Board will retain ultimate fiduciary responsibility for the Portfolio. The Board will receive monthly reports, designate investment officers, and approve changes to the investment policy.
- B. Investment Officer: Authority to manage the investment program is granted to the Treasurer hereinafter referred to as investment officer as designated by 30 ILCS 235/2.5(a)(7). Management responsibility for the operation of the investment program is hereby delegated to the Treasurer, with the advice and consent of the Budget Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Policy.

Village of Sugar Grove  
Investment Policy (Continued)

**VII. Authorized Financial Institutions**

The Treasurer will maintain a list and is hereby authorized to deposit Village monies, in accordance with 65 ILCS 5/3.1-35-50, in financial institutions as attached hereto as Appendix A. The Treasurer shall review this list from time to time and shall submit any modifications thereto to the Board for approval. The Treasurer shall be discharged from responsibility for all funds or money the Treasurer deposits in a designated financial institution while the funds and money are so deposited.

Financial institutions may include depositories, investment advisors, broker/dealers, and local government investment pools as authorized in this Policy. Financial institutions who desire to become qualified for transactions must provide certification of having read and understood this Policy, agree to comply with this Policy, and ensure all investments proposed for purchase will conform to this Policy and applicable State statutes. Selection of financial institutions authorized to engage in transactions with the Village shall be at the sole discretion of the Village. Financial institutions will be selected based on financial condition, proper registration, level of service, experience with Illinois municipalities, and competitive pricing.

All depositories shall be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) and may consist of banks, savings and loan associations, and credit unions. All financial institutions who desire to become designated depositories must supply the following (as appropriate):

- Audited financial statements
- Proof of state registration
- Evidence of adequate insurance coverage

All investment advisors shall be registered under the Investment Advisors Act of 1940. All financial institutions who desire to become designated investment advisors must supply the following (as appropriate):

- Audited financial statements
- Securities and Exchange Commission (SEC) Form ADV – Parts 1 and 2
- Proof of state or SEC registration as appropriate
- Evidence of adequate insurance coverage

All broker/dealers shall be insured by the Securities Investor Protection Corporation (SIPC). All financial institutions who desire to become designated broker/dealers must supply the following (as appropriate):

- Audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA) certification
- Proof of state registration
- Evidence of adequate insurance coverage

A periodic review of the financial condition and registration of all designated financial institutions will be conducted by the Treasurer, or his or her designee.

Village of Sugar Grove  
Investment Policy (Continued)

**VII. Authorized Financial Institutions (Continued)**

Any financial institution selected by the Village of Sugar Grove may be requested to provide cash management services, including but not limited to: checking accounts, wire transfers, purchase and sale of investment securities and safekeeping services. Fees for banking services shall be mutually agreed to by an authorized representative of the financial institution and the Treasurer of the Village.

**VIII. Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the Village shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

**IX. Authorized Investments**

The Village is empowered by statute to invest in the following:

- A. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;
- B. Bonds, notes, debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities;
- C. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; provided, however, that such investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation;
- D. Short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (1) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which mature not later than 270 days from the date of purchase, (2) such purchases do not exceed 10% of the corporation's outstanding obligations and (3) no more than one-third of the Village's funds may be invested in short term obligations of corporations;
- E. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to (1) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest, (2) bonds, notes, debentures, or other similar obligations of the United States of America, or its agencies, and its instrumentalities, or (3) agreements to repurchase such obligations;

Village of Sugar Grove  
Investment Policy (Continued)

IX. Authorized Investments (Continued)

- F. Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state. The bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- G. Short term discount obligations of the Federal National Mortgage Association;
- H. Shares or other forms of securities legally issuable by State or Federal savings banks or savings and loan associations which are insured by the FDIC;
- I. Dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois whose accounts of which are insured by applicable law;
- J. A Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act (Illinois Funds);
- K. Illinois Metropolitan Investment Fund (IMET);
- L. Illinois Trust (formerly Illinois Institutional Investors Trust), IIIT Class;

M. Interest-bearing bonds of the Village of Sugar Grove, Illinois. The bonds shall be registered in the name of the municipality, held under a custodial agreement at a bank, or held at the Village offices;

~~M.N.~~ Any other investment permitted by Illinois statute.

X. Collateralization

The Village shall require that deposits in excess of Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Securities Investor Protection Corporation (SIPC) insurable limits in a single financial institution and investments not guaranteed by the United States of America or one of its agencies be secured by some form of collateral. To fulfill this requirement, every pledge of collateral must be documented by an approved written security and pledge agreement, executed by the financial institution contemporaneously with the acquisition of the pledged collateral by the financial institution.

To the extent that there are funds in excess of FDIC, NCUA, and/or SIPC insurance protection, eligible collateral instruments are as follows:

Village of Sugar Grove  
Investment Policy (Continued)

X. Collateralization (Continued)

- Bonds, notes, or other securities constituting direct and general obligations of the United States;
- Bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States, the interest and principal of which is unconditionally guaranteed by the United States;
- Bonds, notes, or other securities or evidence of indebtedness constituting the obligation of a U.S. agency or instrumentality;
- Direct and general obligation bonds of the State of Illinois or of any other state of the United States; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Revenue bonds of the State of Illinois or any authority, board, commission, or similar agency thereof; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Direct and general obligation bonds of any city, town, county, school district, or other taxing body of any state, the debt service of which is payable from general ad valorem taxes; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;
- Revenue bonds of any city, town, county, or school district of the State of Illinois; provided, however, the bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

The amount of collateral provided will not be less than 105% of the market value of the net amount of public funds secured. The ratio of fair market value of collateral to the amount of funds secured shall be reviewed monthly and additional collateral will be requested when the ratio declines below the level required.

Third party safekeeping shall be required for all collateral, which may be held at the following locations:

- A Federal Reserve Bank or its branch office; or
- By an independent third party with whom the Village has a current custodial agreement, unless physical securities are involved.

Village of Sugar Grove  
Investment Policy (Continued)

X. Collateralization (Continued)

Safekeeping shall be documented by written agreement which may take the form of a safekeeping agreement, trust agreement, escrow agreement, or custody agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Village. Substitution or exchange of securities held in safekeeping shall not be done without prior written notice of the Village at least 10 days prior to any proposed substitutions and provided that the market value of the replacement securities are equal or greater than the market value of the securities being replaced. The Village must pre-approve all substitution and exchanges of securities.

XI. Diversification

It is the policy of the Village to diversify its Portfolio. Investments shall be diversified to eliminate the risk of loss and balance the effect of interest rate changes on different types of securities. Investment shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer;
- Investing in securities with varying maturities;
- Investing a portion of the Portfolio in readily available funds such as bank cash management accounts, money market funds, Illinois Funds, or IMET Convenience Fund to ensure liquidity is maintained to meet ongoing obligations.

With the exception of U.S. Treasury and U.S. agency securities, as well as Illinois Funds, IMET, and Illinois Trust no more than 90% of the Village of Sugar Grove's total investment portfolio will be invested in a single security type and no more than 50% of the Village of Sugar Grove's total investment portfolio will be invested with a single financial institution.

XII. Maximum Maturities

To the extent possible, the Village of Sugar Grove will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than three (3) years from the date of purchase. However, reserve funds may be invested in securities exceeding three (3) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. In addition, reserve funds may be invested in securities under Section IX, Subsection M maturing not more than five (5) years from the date of purchase.

**Village of Sugar Grove  
Investment Policy (Continued)**

**XIII. Internal Controls**

The Treasurer shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by officers and employees of the Village.

**XIV. Performance Standards**

The Portfolio will be managed in accordance with the parameters specified within this Policy. The Portfolio should obtain a market average rate of return during budgetary and economic cycles, taking into account the Village's investment risk constraints and cash flow needs. The Village's investment strategy is passive, which means securities are intended to be held to maturity. Given this strategy, the investment portfolio of the Village shall be designed with the general objective of regularly exceeding the average return of the 90-day U.S. Treasury Bill. The investment program shall seek to augment returns above this level, consistent with risk limitations identified herein and prudent investment principles.

**XV. Reporting**

- Monthly: The Treasurer shall submit a written cash and investment report to the Board which lists the individual components of the Portfolio by maturity date, valuation by fund, and rate of return.
- Quarterly: The Treasurer shall ensure that the Portfolio is reviewed to determine its general performance and effectiveness in meeting the Objectives.
- Annually: The Comprehensive Annual Financial Report of the Village shall include all investment information and disclosures required by accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board.

**XVI. Amendment of Policy**

The Treasurer shall review this Policy from time to time and shall submit any modifications thereto to the Board for approval.

In the event that any state or federal legislation or regulation should further restrict instruments, institutions or procedures authorized by this Policy, such restrictions shall be deemed to be immediately incorporated in this Policy. If new legislation or regulation should liberalize the permitted instruments, institutions or procedures, such changes shall be available and included in this Policy only after written notification to the Board and their subsequent approval of said changes.

## **Appendix A**

### **Village of Sugar Grove Listing of Authorized Financial Institutions**

#### **List of Depositories**

Amalgamated Bank  
American Heartland Bank and Trust  
Associated Bank  
BMO Harris Bank  
Castle Bank, A division of First National Bank of Omaha  
Cole Taylor Bank  
Fifth Third Bank  
FirstMerit Bank  
J.P. Morgan Chase Bank  
Old Second National Bank  
PMA Financial Network, Inc. (and any bank participating in their program)  
U.S. Bank  
West Suburban Bank  
Wintrust Financial Corporation (including its wholly owned banking subsidiaries)

#### **List of Investment Advisors**

PFM Asset Management LLC  
Prudent Man Advisors, Inc.

#### **List of Broker/Dealers**

Fifth Third Securities, Inc.  
J.P. Morgan Securities LLC  
PFM Fund Distributors, Inc.  
PMA Securities, Inc.

#### **List of Local Government Investment Pools**

Illinois Funds  
Illinois Metropolitan Investment Fund  
Illinois Trust



**ORDINANCE NO. 2013-0305FI2**

**AN ORDINANCE APPROVING AN INVESTMENT POLICY  
FOR THE VILLAGE OF SUGAR GROVE**

**WHEREAS**, a sound policy in investing the funds of the Village increases public confidence in the operation of the Village; and,

**NOW THEREFORE BE IT ORDAINED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

**SECTION ONE:** That the Village Board hereby adopts the Village of Sugar Grove Investment Policy dated March 5, 2013, attached hereto as Exhibit A.

**SECTION TWO:** That as provided for in 65 ILCS 5/3.1-35-50, the Treasurer is hereby authorized to deposit funds and money of the Village, in the custody of the Treasurer, in the financial institutions listed in the Investment Policy.

**SECTION THREE:** That the Treasurer shall be discharged from responsibility for all funds or money that the Treasurer deposits in a designated financial institution while the funds and money are so deposited.

**SECTION FOUR:** That all ordinances and resolutions, or parts thereof, in conflict with the provisions of this Ordinance are hereby repealed.

**SECTION FIVE:** That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

**ADOPTED** this 5th day of March, 2013, by the Corporate Authorities of the Village of Sugar Grove by roll call vote as follows:

	Aye	Nay	Absent
Trustee Bohler	_____	_____	_____
Trustee Paluch	_____	_____	_____
Trustee Renk	_____	_____	_____
Trustee Johnson	_____	_____	_____
Trustee Montalto	_____	_____	_____
Trustee Geary	_____	_____	_____

**APPROVED** this 5th day of March, 2013, by the President of the Village of Sugar Grove.

\_\_\_\_\_  
P. Sean Michels, Village President

Attest:

\_\_\_\_\_  
Cynthia L. Galbreath, Village Clerk

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**ORDINANCE NO. 2013-0305FI1**

AN ORDINANCE authorizing and providing for the issuance of \$6,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Sugar Grove, Kane County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same.

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Adopted by the President and  
Board of Trustees of said  
Village on the 5th day of  
March, 2013

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**This Table of Contents is for convenience only and is not a part of the ordinance.**

**ORDINANCE NO. 2013-0305FI1**

AN ORDINANCE authorizing and providing for the issuance of \$6,000,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Sugar Grove, Kane County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing all the details of said bonds and providing for the imposition of taxes to pay the same.

WHEREAS the Village of Sugar Grove, Kane County, Illinois (the "*Village*"), is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the "*Municipal Code*"); and

WHEREAS the Village has heretofore issued and there are now outstanding General Obligation Bonds (Alternate Revenue Source), Series 2006A, of the Village, dated June 15, 2006 (the "*Prior Bonds*"); and

WHEREAS the President and Board of Trustees of the Village (the "*Corporate Authorities*") has heretofore determined and does hereby determine that it is advisable, necessary and in the best interests of the Village and its residents to undertake the refunding of the Prior Bonds due on or after December 15, 2015 (said portion of the Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") in order to achieve certain debt service savings; and

WHEREAS, the estimated cost of the refunding of the Refunded Bonds (the "*Refunding*"), including legal, financial, printing and publication costs and other expenses, is not less than \$\_\_\_\_\_, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Reform Act*"), provides that alternate bonds can be issued to refund alternate bonds without meeting any of the provisions and requirements of Section 15 of the Reform Act provided that the term of the refunding alternate bonds is not longer than the term of the refunded bonds and

that the debt service payable in any year on the refunding alternate bonds does not exceed the debt service payable in such year on the refunded bonds (the “*Refunding Conditions*”); and

WHEREAS the Corporate Authorities have heretofore, and it is hereby expressly, determined that the Refunding Conditions can be met and accordingly, alternate bonds, being hereinafter defined as the “2013 Alternate Bonds” or the “Bonds” can be issued to pay the costs of the Refunding; and

WHEREAS the 2013 Alternate Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes, both as hereinafter defined; and

WHEREAS the 2013 Alternate Bonds will be issued on a parity with the Prior Bonds not being refunded by the 2013 Alternate Bonds and the General Obligation Alternate Revenue Source Refunding Bonds, Series 2009, of the Village (together, the “*Outstanding Alternate Bonds*”); and

WHEREAS the bond ordinances authorizing the Outstanding Alternate Bonds permit the issuance of additional alternate bonds on a parity with the Outstanding Alternate Bonds provided that the requirements of the Reform Act for the issuance of alternate bonds payable from the Pledged Revenues shall have been met; and

WHEREAS the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “*Tax Limitation Law*”), imposes certain limitations on the “aggregate extension” of certain property taxes levied by the Village, but provides that the definition of “aggregate extension” contained in Section 18-185 of the Tax Limitation Law does not include “extensions . . . made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act;” and

WHEREAS the County Clerk of Kane County, Illinois (the “*County Clerk*”), is therefore authorized to extend and collect said direct annual ad valorem tax so levied for the payment of the Bonds for the Refunding, as alternate bonds, without limitation as to rate or amount:

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

*Section 1. Definitions.* The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

“*2013A Bonds*” means one or more, as applicable, of the \$5,530,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013A, authorized to be issued by this Ordinance.

“*2013B Bonds*” means one or more, as applicable, of the \$470,000 Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013B, authorized to be issued by this Ordinance.

“*2013A Bond Registrar*” means Amalgamated Bank of Chicago, Chicago, Illinois, or any successor thereto, as bond registrar and paying agent for the 2013A Bonds.

“*2013B Bond Registrar*” means the Treasurer, or any successor thereto, as bond registrar and paying agent for the 2013B Bonds.

“*Additional Bonds*” means any alternate bonds issued in the future in accordance with the provisions of the Reform Act on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds and the Outstanding Alternate Bonds.

“*Alternate Bonds*” means the Bonds, the Outstanding Alternate Bonds and any Additional Bonds.

“*Bond*” or “*Bonds*” means, collectively, one or more, as applicable, of the 2013A Bonds and the 2013B Bonds.

“*Bond Fund*” means the 2013 Alternate Bond Fund established hereunder and further described by Section 11 of this Ordinance.

“*Bond Registrar*” means collectively, the 2013A Bond Registrar and 2013B Bond Registrar.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Corporate Authorities*” means the President and Board of Trustees of the Village.

“*Expense Fund*” means the fund established hereunder and further described by Section 12 of this Ordinance.

“*Municipal Code*” means the Illinois Municipal Code, as supplemented and amended.

“*Ordinance*” means this Ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with terms hereof.

“*Outstanding*” when used with reference to the Bonds, the Outstanding Alternate Bonds, and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however,* such term shall not include any of the Bonds, Outstanding Alternate Bonds or Additional Bonds (i) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (ii) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds, Outstanding Alternate Bonds or Additional Bonds.

“*Pledged Moneys*” means, collectively, the Pledged Revenues and the Pledged Taxes.

*“Pledged Revenues”* means, collectively, (i) moneys paid to the Village from the Local Government Distributive Fund of the State of Illinois, including income tax, sales tax, use tax and photoprocessing tax receipts; (ii) sales tax and use tax receipts derived by the Village from taxes imposed under the Use Tax Act, 35 Illinois Compiled Statutes 105; the Service Use Tax Act, 35 Illinois Compiled Statutes 110; the Service Occupation Tax Act, 35 Illinois Compiled Statutes 115; and the Retailer’s Occupation Tax Act, 35 Illinois Compiled Statutes 120; (iii) utility tax receipts derived by the Village from taxes imposed under 65 Illinois Compiled Statutes 5/8-11-2, and by virtue of Ordinance No. 652 of the Village, adopted January 20, 1997, as amended, and Ordinance No. 703 of the Village, adopted August 18, 1998; (iv) capital improvement impact fees paid to the Village; and (v) road impact fees paid to the Village but only to the extent of \$160,000 in each fiscal year.

*“Pledged Taxes”* means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

*“President”* means the President of the Village.

*“Principal Office”* means, as applicable, the principal corporate trust office of the 2013A Bond Registrar or the principal office of the 2013B Bond Registrar.

*“Prior Bonds”* is defined in the preambles hereof.

*“Reform Act”* is defined in the preambles hereof.

*“Refunding”* is defined in the preambles hereof.

*“Treasurer”* means the Treasurer of the Village.

*“Village”* means the Village of Sugar Grove, Kane County, Illinois.

*“Village Clerk”* means the Village Clerk of the Village.

*Section 2. Incorporation of Preambles.* The Corporate Authorities hereby find that the recitals contained in the preambles to this Ordinance are true, correct and do hereby incorporate them into this Ordinance by this reference.

*Section 3. Determination to Issue Bonds.* It is necessary and in the best interests of the Village for the Village to undertake the Refunding in accordance with the estimate of costs therefor as described, and to issue the Bonds to enable the Village to pay the costs thereof.

*Section 4. Bond Details.* For the purpose of providing for the payment of costs of the Refunding, there shall be issued and sold the Bonds in the aggregate principal amount of \$\_\_\_\_\_. The Bonds shall be designated “General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013.” The Bonds shall be issued in two series, designated as “General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013A” and “Taxable General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013B.” The Bonds shall be dated \_\_\_\_\_, 2013, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond in each series shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The 2013A Bonds shall be issued in the principal amount of \$\_\_\_\_\_ and shall become due and payable (subject to prior redemption as hereinafter described) on December 15 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2015	\$	%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%

The 2013B Bonds shall be issued in the principal amount of \$\_\_\_\_\_ and shall become due and payable (without option of prior redemption) on December 15 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$	%
2014		%
2015		%
2016		%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 15 and December 15 of each year, commencing on June 15, 2013. Interest on each Bond shall be paid by check or draft of the respective Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date (the “*Record Date*”), and mailed to the registered owner of the Bond as shown in the respective Bond Register (as defined in Section 7 hereof) or at such other address furnished

in writing by such Registered Owner. The Record Date shall be the 1st day of the month preceding any regular or other interest payment date occurring on the 15th day of any month and 15 days preceding any interest payment date occasioned by the redemption of Bonds on other than the 15th day of a month. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the Principal Office of the respective Bond Registrar.

*Section 5. Redemption.* (a) *Optional Redemption.* The 2013A Bonds maturing on and after December 15, 2022, shall be subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village (less than all of the 2013A Bonds of a single maturity to be selected by the 2013A Bond Registrar), on December 15, 2021, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) *Mandatory Redemption.* The 2013A Bonds due on December 15, 20\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the 2013A Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
20	\$ ,000
20	,000
20	,000
20	,000

The 2013A Bonds due on December 15, 20\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the 2013A Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
20	\$ ,000
20	,000
20	,000
20	,000

The principal amounts of 2013A Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2013A Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the 2013A Bond Registrar may, and if directed by the Corporate Authorities shall, purchase 2013A Bonds required to be retired on such mandatory redemption date. Any such 2013A Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General Redemption Provisions.* All references to “Bond” or “Bonds” in this subsection (c) are to the 2013A Bonds and all references to “Bond Registrar” in this subsection (c) are to the 2013A Bond Registrar. The Village shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Bond Registrar for the

Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion.

The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first-class mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall include the name of the Bonds and at least the information as follows:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all of the Bonds of a single maturity are to be redeemed, the identification (and, in the case of partial redemption of any Bonds, the respective principal amounts) of the Bonds to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Bond Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

If any Bond or portion of a Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

*Section 6. Execution; Authentication.* The Bonds shall be executed on behalf of the Village with the manual or duly authorized facsimile signature of the President and attested with the manual or duly authorized facsimile signature of the Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the respective Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the respective Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any 2013A Bond shall be deemed to have been executed by it if signed by an authorized officer of the 2013A Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the 2013A Bonds issued hereunder.

*Section 7. Registration of Bonds; Persons Treated as Owners; Global Book-Entry System.* (a) *General.* The Village shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the Principal Office of the respective Bond Registrar. The 2013A Bond Registrar and the 2013B Bond Registrar are hereby each constituted and appointed the registrars and paying agents of the Village for their respective series of the Bonds. The Village is authorized to prepare, and the respective Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the Principal Office of the respective Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the respective Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the respective Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said Principal Office for a like aggregate principal amount of Bond or Bonds of the same series and maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the respective Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however*, the principal amount of outstanding Bonds of each series and maturity authenticated by the respective Bond Registrar shall not exceed the authorized principal amount of Bonds for such series and maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month preceding any interest

payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2013A Bond after notice calling such 2013A Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any 2013A Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a 2013A Bond or 2013A Bonds for the unredeemed portion of a 2013A Bond surrendered for redemption.

(b) *Global Book-Entry System - 2013A Bonds.* All references to “Bond” or “Bonds” in this subsection (b) are to the 2013A Bonds, and all references to “Bond Registrar” in this subsection (b) are to the 2013A Bond Registrar. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds as provided in Section 4 hereof, and the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (“*Cede*”), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (“*DTC*”). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, the Village Clerk and Treasurer are hereby authorized to execute and deliver on behalf of the Village such letters to or agreements with DTC

and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”).

With respect to the Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village’s obligations with respect to payment of principal of and interest on the Bonds to the extent of the

sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the name “*Cede*” in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At the time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a global book-entry system, as may be acceptable to the Village, or such depository’s agent or designee, and if the Village does not select such alternate global book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 7(a) hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

*Section 8. Form of Bonds.* The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend “See Reverse Side for Additional Provisions” shall be omitted and the text of the paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[Form of Bond - Front Side]

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF KANE

VILLAGE OF SUGAR GROVE

[TAXABLE] GENERAL OBLIGATION REFUNDING BOND

(ALTERNATE REVENUE SOURCE)

SERIES 2013[A][B]

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: December 15, 20\_\_      Date: \_\_\_\_\_, 2013      CUSIP: \_\_\_\_\_

Registered Owner:

Principal Amount: \_\_\_\_\_ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Sugar Grove, Kane County, Illinois, a municipality and political subdivision of the State of Illinois (the “*Village*”), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on June 15, 2013, and semiannually thereafter on June 15 and December 15 of each year until the Principal Amount is paid or duly provided for. The Principal Amount of this Bond is

payable in lawful money of the United States of America upon presentation at the principal [corporate trust] office of \_\_\_\_\_, in \_\_\_\_\_, Illinois, as paying agent and bond registrar (the "*Bond Registrar*"). Payment of interest shall be made to the Registered Owner hereof as appearing on the Bond Register of the Village maintained by the Bond Registrar at the close of business on the 1st day of the month preceding the interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes, and the segregation of all Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for said Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance.

FOR THE PROMPT PAYMENT OF THIS BOND, BOTH PRINCIPAL AND INTEREST AT MATURITY, THE FULL FAITH, CREDIT AND RESOURCES OF THE VILLAGE ARE HEREBY IRREVOCABLY PLEDGED.

[The Village has designated each of the Bonds of this series as a “qualified tax-exempt obligation” pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF the Village of Sugar Grove, Kane County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

---

President  
Village of Sugar Grove  
Kane County, Illinois

ATTEST:

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Village Clerk  
Village of Sugar Grove  
Kane County, Illinois

[SEAL]

Date of Authentication: \_\_\_\_\_, 20\_\_

CERTIFICATE  
OF  
AUTHENTICATION

Bond Registrar and Paying Agent:

\_\_\_\_\_,  
\_\_\_\_\_, Illinois

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the [Taxable] General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013[A][B], of the Village of Sugar Grove, Kane County, Illinois.

\_\_\_\_\_,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

**VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS**

**[TAXABLE] GENERAL OBLIGATION REFUNDING BOND**

**(ALTERNATE REVENUE SOURCE)**

**SERIES 2013[A][B]**

This bond and the bonds of the series of which it forms a part (“*Bond*” and “*Bonds*” respectively) are of an authorized issue of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) Bonds of like dated date and tenor except as to maturity and rate of interest, and are issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Reform Act*”), and the Illinois Municipal Code, as amended (the “*Municipal Code*”), for the purpose of paying the costs of refunding a portion of the outstanding General Obligation Bonds (Alternate Revenue Source), Series 2006A (the “*Prior Bonds*”), of the Village.

The Bonds are payable from (i) moneys paid to the Village from the Local Government Distributive Fund of the State of Illinois, including income tax, sales tax, use tax and photoprocessing tax receipts; (ii) sales tax and use tax receipts derived by the Village from taxes imposed under the Use Tax Act, 35 Illinois Compiled Statutes 105; the Service Use Tax Act, 35 Illinois Compiled Statutes 110; the Service Occupation Tax Act, 35 Illinois Compiled Statutes 115; and the Retailer’s Occupation Tax Act, 35 Illinois Compiled Statutes 120; (iii) utility tax receipts derived by the Village from taxes imposed under 65 Illinois Compiled Statutes 5/8-11-2, and by virtue of Ordinance No. 652 of the Village, adopted January 20, 1997, as amended, and Ordinance No. 703 of the Village, adopted August 18, 1998; (iv) capital improvement impact fees paid to the Village; (v) road impact fees paid to the Village but only to the extent of \$160,000 in each fiscal year (the “*Pledged Revenues*”) and (vi) the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or

amount, pledged hereunder by the Village as security for the Bonds (the “*Pledged Taxes*,” and together with the Pledged Revenues, the “*Pledged Moneys*”).

The Bonds are issued pursuant to a bond ordinance passed by the Corporate Authorities on the 5th day of March, 2013 (the “*Ordinance*”), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents. This Bond does not and will not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Pledged Revenues for a complete fiscal year.

The Village reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; *provided, however*, that no Additional Bonds shall be issued except in accordance with the provisions of the Reform Act. The Bonds are on a parity with and share ratably and equally with respect to the Pledged Revenues with the outstanding Prior Bonds, the Village’s General Obligation Alternate Revenue Source Refunding Bonds, Series 2009 and the Village’s [Taxable] General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013[A][B].

[Bonds of the issue of which this Bond is one maturing on and after December 15, 2022, are subject to redemption prior to maturity at the option of the Village as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the Village (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 15,

2021, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.]

[The Bonds due on December 15, 20\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
20	\$ ,000
20	,000
20	,000
20	,000

The Bonds due on December 15, 20\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 15 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
20	\$ ,000
20	,000
20	,000
20	,000

Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the Village maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.]

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance. Upon surrender for transfer or exchange of any Bond at the principal [corporate trust] office of the Bond Registrar in \_\_\_\_\_, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 1st day of the month preceding an interest payment date on the Bonds to the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days preceding mailing of a notice of redemption of any Bonds].

The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes; and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_

\_\_\_\_\_

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

*Section 9. Sale of the Bonds.* The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Treasurer. Said Treasurer shall deliver the 2013A Bonds to \_\_\_\_\_, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than \$\_\_\_\_\_ plus accrued interest, if any, to date of delivery. The contract for the sale of the 2013A Bonds (the "*Purchase Contract*") heretofore entered into is in all respects ratified, approved and confirmed, it being hereby found and determined that the Purchase Contract is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract. It is hereby found and determined that the 2013A Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceeds the rate otherwise authorized by applicable law.

Pursuant to the Investment of Municipal Funds Act of the State of Illinois, as amended, the Village is authorized to use the money in its funds to purchase bonds issued by the Village. In view of the balances in the Village's General, General Capital Projects, and Waterworks and Sewerage Funds, there is no need for current funds in the General, General Capital Projects, and Waterworks and Sewerage Funds in the amount of the purchase price of the 2013B Bonds, the same being equal to the par amount of the 2013B Bonds. The General, General Capital Projects, and Waterworks and Sewerage Funds may prudently be invested for the term of the 2013B Bonds, and, as such, the General, General Capital Projects, and Waterworks and Sewerage Funds are the Purchaser of the 2013B Bonds.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the "*Official Statement*") is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Corporate Authorities are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

*Section 10. Treatment of Bonds as Debt.* The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 13 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Reform Act.

*Section 11. Series 2013 Alternate Bond Fund.* There is hereby created a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the "*2013 Alternate Bond Fund*" (the "*Bond Fund*"). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Moneys for any of the Bonds. All payments with respect to the Bonds shall be made directly from the Bond Fund. There are hereby created two accounts of the Bond Fund, designated the Pledged Revenues Account and the Pledged Taxes Account. All Pledged Revenues to be applied to the payment of the Bonds shall be deposited to the credit of the Pledged Revenues Account and all Pledged Taxes shall be deposited to the credit of the Pledged Taxes Account. The Bond Fund

and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

Any Pledged Taxes received by the Village shall promptly be deposited into the Pledged Taxes Account of the Bond Fund. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account of the Bond Fund.

Pursuant to Section 13 of the Reform Act, the moneys deposited or to be deposited into the Bond Fund, including the Pledged Moneys, are pledged as security for the payment of the Bonds. All such moneys shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village irrespective of whether such parties have notice thereof.

*Section 12. Use of Bond Proceeds.* The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest, if any, shall be credited to the Bond Fund and applied to pay first interest due on the Bonds.

B. The sum necessary, together with such money in the debt service funds for the Prior Bonds as may be advisable for the purpose, shall be used to provide for the Refunding. Amounts for the Refunding, including the payment of such expenses as may be designated, shall be administered pursuant to the provisions of an Escrow Agreement with Amalgamated Bank of Chicago, Chicago, Illinois, as the Escrow Agent, all in accordance with the provisions of the Escrow Agreement, substantially in the form attached hereto as *Exhibit A*, made a part hereof by this reference, and hereby approved;

the officers appearing signatory to such Escrow Agreement are hereby authorized and directed to execute same, their execution to constitute conclusive proof of action in accordance with this Ordinance, and approval of all completions or revisions necessary or appropriate to effect the Refunding. The Village expressly authorizes the use of the Government Securities as set forth in the Escrow Agreement.

C. The remainder of the proceeds of the Bonds shall be deposited into a separate fund, hereby created, designated the “*Expense Fund*” to be used to pay expenses of issuance of Bonds. Disbursements from such fund shall be made from time to time upon the direction of the Corporate Authorities. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds. Any excess in said fund shall be deposited into the Bond Fund after three months from the date of issuance of the Bonds.

*Section 13. Pledged Taxes; Tax Levy.* For the purpose of providing necessary funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Reform Act, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are Outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (the “*Pledged Taxes*”):

**2013A BONDS**

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2013	for principal and interest up to and including December 15, 2014
2014	for principal and interest
2015	for principal and interest
2016	for principal and interest
2017	for principal and interest
2018	for principal and interest
2019	for principal and interest
2020	for principal and interest
2021	for principal and interest
2022	for principal and interest
2023	for principal and interest
2024	for principal and interest

**2013B BONDS**

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2013	for principal and interest up to and including December 15, 2014
2014	for principal and interest
2015	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Moneys herein pledged and levied; and when the Pledged Moneys shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

For levy year 2012, the Village will not levy a direct annual tax to pay debt service on the Bonds. Principal of and interest on the Bonds up to and including December 15, 2013, shall be payable solely from the Pledged Revenues.

*Section 14. Filing with County Clerk.* After this Ordinance becomes effective, a copy hereof, certified by the Village Clerk, shall be filed with the County Clerk. The County Clerk

shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the credit of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general municipal purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

The President, Village Clerk and Treasurer be and the same are hereby directed to prepare and file with the County Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds being refunded and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds, all as provided by the Municipal Code.

*Section 15. Abatement of Pledged Taxes.* As provided in the Reform Act, whenever the Pledged Revenues shall have been determined by the Treasurer to provide in any calendar year an amount not less than 1.00 times debt service of all Outstanding Bonds in the next succeeding bond year (June 15 and December 15), the Treasurer shall, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

The Village covenants and agrees that it will not direct the County Clerk to abate any other taxes levied for general corporate purposes in a calendar year until sufficient Pledged

Revenues have been deposited in the Bond Fund and the abatement of the Pledged Taxes for such calendar year has been filed with the County Clerk.

*Section 16. Pledged Revenues; General Covenants.* The Village covenants and agrees with the holders of the Alternate Bonds that, so long as any Alternate Bonds remain Outstanding:

A. The Pledged Revenues are hereby pledged to the payment of the Alternate Bonds; and the Corporate Authorities covenant and agree to provide for, collect and apply the Pledged Revenues to the payment of all of such bonds as are from time to time Outstanding Bonds and the provision of not less than an additional 0.25 times debt service thereon, all in accordance with Section 15 of the Reform Act.

B. The Village will punctually pay or cause to be paid from the Bond Fund the principal of and interest to become due in respect to the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

C. The Village will pay and discharge, or cause to be paid and discharged, from the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part thereof, or upon any such funds in the hands of the respective Bond Registrar, or which might impair the security of the Alternate Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

D. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues and to the Bond Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten per cent (10%) of the

principal amount of the Outstanding Alternate Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Alternate Bonds and the rights of the registered owners of the Alternate Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Alternate Bonds by the Village, the Alternate Bonds shall be incontestable by the Village.

F. The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Alternate Bonds of the rights and benefits provided in this Ordinance.

G. As long as any Alternate Bonds are Outstanding, the Village will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes to the appropriate accounts of the Bond Fund. The Village covenants and agrees with the purchasers of the Alternate Bonds and with the registered owners thereof that so long as any Alternate Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues or, except for the abatement of Pledged Taxes permitted by Section 15 hereof, to levy and collect said Pledged Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and the Pledged Taxes may be collected as provided herein and deposited into the Bond Fund.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are

pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Reform Act.

*Section 17. Additional Bonds.* The Village reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues. Any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds and the Prior Bonds, or, at the option of the Village, the pledge of the Pledged Revenues herein provided for the Bonds may be made junior or subordinate to any pledge of the Pledged Revenues hereafter made for any Additional Bonds; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the Reform Act.

*Section 18. Defeasance.* Bonds which are no longer Outstanding Bonds as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from the Pledged Revenues or the Pledged Taxes, and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security for the Bonds in the Pledged Revenues or the Pledged Taxes.

*Section 19. Non-Arbitrage and Tax-Exemption - 2013A Bonds.* One purpose of this Section is to set forth various facts regarding the 2013A Bonds and to establish the expectations of the Village as to future events regarding the 2013A Bonds and the use of 2013A Bond proceeds. For the remainder of this Section 19, all references to “Bonds” or “Bond” is to the 2013A Bonds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the Village for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to

take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Village and the Corporate Authorities certify, covenant and represent as follows:

*1.1. Definitions.* In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the Village in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the Village or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the Village (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the Village is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

“*Capital Expenditures*” means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Village were treated as a corporation subject to

federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

“*Closing*” means the first date on which the Village is receiving the purchase price for the Bonds.

“*Commingled Fund*” means any fund or account containing both Gross Proceeds and an amount in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

“*Control*” means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

“*Controlled Entity*” means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

“*Controlled Group*” means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

“*Controlling Entity*” means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“*De minimis Amount of Original Issue Discount or Premium*” means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter’s compensation.

“*Escrow Account*” means the account established pursuant to the Escrow Agreement.

“*Escrow Agent*” means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent under the Escrow Agreement.

“*Escrow Agreement*” means the agreement between the Escrow Agent and the Village providing for the deposit in trust of certain Government Securities for the purpose of refunding in advance of maturity the Refunded Bonds.

“*External Commingled Fund*” means a Commingled Fund in which the Village and all members of the same Controlled Group as the Village own, in the aggregate, not more than ten percent of the beneficial interests.

“*GIC*” means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

“*Government Securities*” means the obligations held and to be held under the Escrow Agreement.

“*Gross Proceeds*” means amounts in the Bond Fund and the Escrow Account.

“*Net Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

“*Person*” means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

“*Placed-in-Service*” means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

“*Prior Bond Fund*” means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

“*Prior Bond Proceeds*” means amounts actually or constructively received from the sale of the Refunded Bonds and all other amounts properly treated as gross proceeds of the Refunded Bonds under the Regulations, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (*e.g.*, a redemption right).

“*Prior Project*” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

*“Private Business Use”* means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

*“Qualified Administrative Costs of Investments”* means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

*“Qualified Tax Exempt Obligations”* means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

*“Rebate Fund”* means the fund, if any, identified and defined in paragraph 4.1 herein.

*“Rebate Provisions”* means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

*“Refunded Bonds”* means those certain Prior Bonds being refunded by the Bonds.

*“Regulations”* means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

*“Reimbursed Expenditures”* means expenditures of the Village paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

*“Reserve Portion of the Bond Fund”* means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

“*Sale Proceeds*” means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters’ discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (e.g., a redemption right).

“*Transferred Proceeds*” means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

“*Verification Report*” means the verification report and opinion of the Verifier concerning the Yield on the Bonds and the Government Securities.

“*Verifier*” means Grant Thornton LLP, Minneapolis, Minnesota.

“*Yield*” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

“*Yield Reduction Payment*” means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. *Purpose of the Bonds.* The Bonds are being issued solely and exclusively to refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the Village. A breakdown of the sources and uses of funds is set forth in Section 12 of this Ordinance. Except to pay the Refunded Bonds and except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Village or for the purpose of replacing any funds of the Village used for such purpose.

2.2. *Bond Fund Investment.* The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the Village, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

(a) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and

(e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

2.5. *Consequences of Contrary Expenditure.* The Village acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the Village will be treated as unspent Sale Proceeds.

2.6. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the Village nor any member of the same Controlled Group as the Village has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The Village acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The Village also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of

Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The Village agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The Village also agrees that it will not give any assurances to any Bond holder, or any credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The Village recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. *IRS Audits.* The Village represents that the IRS has not contacted the Village regarding the Prior Bonds or any other obligations issued by or on behalf of the Village. To the best of the knowledge of the Village, no such obligations of the Village are currently under examination by the IRS.

2.10. *Abusive Transactions.* Neither the Village nor any member of the same Controlled Group as the Village will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in Section 12 of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the Village, any member of the same Controlled Group as the Village, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the Village will be paid at the time of Closing.

3.2. *Purpose of Bond Fund.* The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

The Village will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *The Prior Bonds.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the Village's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the Village reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called on the first optional redemption date of the Refunded Bonds.

(f) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(g) The Village has not been notified that the Prior Bonds are under examination by the Internal Revenue Service, and to the best of the Village's knowledge the Prior Bonds are not under examination by the Internal Revenue Service.

(h) The Village acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

3.4. *The Escrow Account.* (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of any callable Refunded Bonds on the first optional redemption date of such callable Refunded Bonds, at the applicable redemption price thereof based on the Verification Report.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

3.5. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the Village nor any member of the same Controlled Group as the Village has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any

obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the Village encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (e.g., any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 13 years. The weighted average maturity of the Bonds does not exceed 13 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (i.e., having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. *Compliance with Rebate Provisions.* The Village covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Village will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. *Rebate Fund.* The Village is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the "*Rebate Fund*"), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. *Records.* The Village agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The Village will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the Village shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

- (a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Village or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Village or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Village will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the Village. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the Village, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Village will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. *Arbitrage Elections.* The Village hereby waives its right to invest Sale Proceeds of the Bonds and investment earnings thereon in the Escrow Account in investments with Yields higher than Bond Yield. The President and Village Clerk are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. *Small Issuer Exception.* (a) The Village is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the Village. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The Village is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a “private activity bond” (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds and investment earnings thereon will be used for local governmental activities of the Village. None of the Village, any entity that issues tax-exempt bonds, qualified tax credit bonds or direct pay bonds on behalf of the Village or any entity subject to Control by the Village will issue, during the calendar year 2013, any tax-exempt bonds (other than current refunding bonds to the extent of the aggregate face amount of the tax exempt bonds currently refunded thereby), qualified tax credit bonds or direct pay bonds in an aggregate face amount in excess of the *maximum aggregate face amount* (as hereinafter defined). As used herein, (a) “*tax-exempt bonds*” means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including (i) “private activity bonds” (as defined in Section 141 of the Code) or (ii) obligations issued to refund another obligation if it is issued not more than 90 days before the redemption of the refunded obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, (b) “*aggregate face amount*” means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the principal amount of the issue, (c) “*maximum aggregate face amount*” means \$5,000,000, (d) “*qualified tax credit bonds*” means any qualified tax credit bond (as defined in Section 54A(d) of the Code) or any “build America bond” that is not a qualified bond under Section 6431 of the Code and (e) “*direct pay bonds*” means any bond treated as a qualified bond as defined in

Section 6431 of the Code. As of the date hereof, no tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions (other than the Bonds) have been issued by the Village, any entity that issues bonds on behalf of the Village or any entity subject to Control by the Village during the calendar year 2013. The Village does not reasonably expect that it, any entity that issues bonds on behalf of the Village or any entity subject to Control by the Village (including but not limited to the Village) will issue any tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions within calendar year 2013. Therefore, subject to compliance with all the terms and provisions of this paragraph 4.6, the Village is excepted from the required rebate of arbitrage profits on the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Ordinance that need only be complied with if the Village is subject to the arbitrage rebate requirement.

(b) The Refunded Bonds were issued as part of an issue which qualified for the small issuer exception to rebate under the Rebate Provisions or which was issued at a time when no such rebate requirement existed.

(c) The average maturity date of the Bonds is not later than the average maturity date of the Refunded Bonds.

(d) No Bond has a maturity date which is later than the date which is 30 years after the date on which the earliest issue of the Prior Bonds was issued.

5.1. *Issue Price.* For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. *Yield Limits.* Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) amounts on deposit in the Bond Fund (except for capitalized interest and any Reserve Portion of the Bond Fund) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(b) (i) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon other than those on deposit in the Escrow Account for a period of one year from the date received.

5.3. *Yield Limits on Prior Bond Proceeds.* Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds, the Village acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for investments in the Escrow Account, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. *Investments After the Expiration of Temporary Periods, Etc.* Any amounts, other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips).

5.7. *Escrow Yield.* The Yield on the Government Securities purchased with Sale Proceeds of the Bonds, taking into account any Transferred Proceeds, has been computed by the Purchaser and verified by the Verifier to be not greater than the Yield on the Bonds computed by the Purchaser and verified by the Verifier.

6.1. *Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Village or a member of the same Controlled Group as the Village) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

6.2. *I.R.S. Form 8038-G.* The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The Village will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. *Bank Qualification.* (a) The Village hereby designates each of the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Bonds will be at anytime a “private activity bond” (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2013, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code during calendar year 2013 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Village is not subject to Control by any entity, and there are no entities subject to Control by the Village.

(c) On the date hereof, the Village does not reasonably anticipate that for calendar year 2013 it will issue, have another entity issue on behalf of the Village, borrow the proceeds of or have allocated to the Village for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). “Section 265 Tax-Exempt Obligations” are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Village will not, in calendar year 2013 issue, permit the issuance on behalf of it or by any entity subject to Control by the Village (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2013 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

7.1. *Termination; Interest of Village in Rebate Fund.* The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States

and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. *Separate Issue.* Since a date that is 15 days prior to the date of sale of the Bonds by the Village to the Purchaser, neither the Village nor any member of the same Controlled Group as the Village has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the Village nor any member of the same Controlled Group as the Village will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The Village may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Village reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Village deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Village reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The Village acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a “deliberate action” within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The Village shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the Village.

7.4. *Purchase of Bonds by Village.* The Village will not purchase any of the Bonds except to cancel such Bonds.

7.5. *First Call Date Limitation.* The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. *Registered Form.* The Village recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. *First Amendment.* The Village acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. *Future Events.* The Village acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The Village shall promptly contact Bond Counsel if such changes do occur.

7.9. *Records Retention.* The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the Village receives an opinion of Bond Counsel to such effect. Unless the Village otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of

Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

7.11. *Excess Proceeds.* Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds; and
- (vi) interest on purpose investments.

7.12. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the Village.

7.13. *Expectations.* The Corporate Authorities have reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Village as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Village has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The Village also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with

whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Corporate Authorities hereby authorize the officials of the Village responsible for issuing the Bonds, the same being the President and Village Clerk, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

*Section 18. This Ordinance a Contract.* The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, in accordance with the terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

*Section 19. Continuing Disclosure Undertaking.* The President or Treasurer is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the “*Continuing Disclosure Undertaking*”) in substantially the same form as now before the Corporate Authorities, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official’s execution thereof to constitute conclusive evidence of the approval of such changes. When the

Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

*Section 20. Duties of Bond Registrar.* If requested by the 2013A Bond Registrar, the President and Village Clerk are authorized to execute the 2013A Bond Registrar's standard form of agreement between the Village and the 2013A Bond Registrar with respect to the obligations and duties of the 2013A Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of 2013A Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of 2013A Bonds as provided herein;
- (d) to cancel and/or destroy 2013A Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the Village at least annually a certificate with respect to 2013A Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of 2013A Bonds paid, 2013A Bonds outstanding and payments made with respect to interest on the Bonds.

*Section 21. Call of Refunded Bonds.* In accordance with the redemption provisions of the bond ordinance authorizing the Refunded Bonds, the Village by the Corporate Authorities does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption and payment prior to maturity on their earliest practical call date therefor, the same being the date set forth in the Escrow Agreement.

*Section 22. Record-Keeping Policy and Post-Issuance Compliance Matters.* It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the 2013A Bonds and other debt obligations of the Village, the interest on which is excludable from “gross income” for federal income tax purposes or which enable the Village or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the 2013A Bonds, the “*Tax Advantaged Obligations*”). Further, it is necessary and in the best interest of the Village that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the Village’s covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the Village’s Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the Village hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

(a) *Compliance Officer is Responsible for Records.* The Finance Director of the Village (the “*Compliance Officer*”) is hereby designated as the keeper of all records of

the Village with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Corporate Authorities at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the Village authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Corporate Authorities stating whether or not the Village has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from “gross income” for federal income tax purposes, that the Village is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the “*Contracts*”), with respect to the use of any property owned by the Village and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to Village employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review,

the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the Village. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of an ordinance by the Corporate Authorities. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The Village also recognizes that these procedures may need to be revised in the event the Village enters into any derivative products with respect to its Tax Advantaged Obligations.

*Section 23. Severability.* If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

*Section 24. Repealer.* All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

*Section 25. Effective Date.* This Ordinance shall be in effect immediately upon its passage by the Corporate Authorities, signing and approval by the President.

ADOPTED by the President and Board of Trustees on March 5, 2013.

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED: March 5, 2013.

\_\_\_\_\_  
President

RECORDED in the Municipal Records on March 5, 2013.

ATTEST:

\_\_\_\_\_  
Village Clerk

[SEAL]

**EXHIBIT A**  
**ESCROW AGREEMENT**

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** DISCUSSION: AGE BASED RESIDENTIAL LAND USES  
**AGENDA:** MARCH 5, 2013 COTW MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Should the Board develop a policy regarding the placement of Age Based Housing within the Village.

**DISCUSSION**

Home builders, developers and property owners continue to contact the Village about the un-finished developments such as Hannaford Farm, Settlers Ridge and Meadowridge Villas, along with other undeveloped sites, inquiring as to what the Village would envision happening on these sites. Staff has continued to report back to those inquiring that the Village Board would like to focus on those areas that already have developed lots, taking into account what type of housing would best fit with the homes that have already been developed.

It's the desire of some of these developers, homebuilders and property owners to bring senior housing to the Village. Meadowridge Villas and Prairie Glen are already approved with age based housing. Other possible developments that have been reviewed and/or are being considered include the Hampstead Court Assisted Living Facility, which was near final approval until the developer put it on hold, and the Galena Boulevard Senior Apartments which are in a per-application stage of discussion. While the project was eventually withdrawn, Board members will recall the Tadian Homes proposal for a large active adult mixed housing development.

As you know, age based housing can take on many different forms. The following are some of the different types that are being developed in the Chicagoland area today:

- Age Targeted Detached Single Family Homes
- Age Targeted Attached Single Family Homes
- Age Restricted Detached Single Family Homes

- Age Restricted Attached Single Family Homes
- Age Restricted Condominiums
- Age Restricted Apartments
- Congregate Care Facilities
- Assisted Living Facilities
- Nursing Homes
- Alzheimer's Centers

The types of housing noted above are sometimes, but not always, part of a Retirement Community or Active Adult Community. There are Continuing Care Communities and other facilities that may be free standing or developed as a part of an office park type campus.

As the Staff receives these calls regarding age based housing, it would be helpful for us to best reflect the desire of the Village Board with regards to these types of residential land uses.

Over the next few meetings, Staff would like to refresh the Board on the current age based housing in the Village and present information about the different types of age based housing being proposed or suggested for Sugar Grove, along with information on those that are being developed in the Chicagoland area. During the discussion we will ask that you consider which types are appropriate for Sugar Grove and where these types of units should be placed within the community.

#### **UPDATE (2-19-13):**

**As we continue this discussion, one of the key points is to understand the different types of age based housing as they come forward. With that in mind, we offer the following basic definitions. As the Board reviews these definitions, keep in mind which, if any, locations within the Village you feel these uses would fit into the makeup of the community.**

**INDEPENDENT LIVING:** This type of housing can take on many forms and is sometimes referred to as; retirement communities, retirement homes, senior apartments, or senior housing. This type of housing offers adults independence and a community of friends. Retirement living communities are typically restricted either to people over the age of 55, or over the age of 62. These communities can offer a wide range of intellectual, physical, and social interaction for active seniors.

**CONGREGATE CARE FACILITY:** In these types of facilities, each individual resident has private living quarters but shares with other residents a common dining room, recreational room and/or other facilities. Congregate care is similar to independent living but usually offers at least

one communal meal per day. It's common for other services, activities and transportation to be offered to residents as well.

**ASSISTED LIVING:** These are facilities with a wide range of services that provide a senior housing solution for adults who can live independently but need some assistance with daily activities. For many seniors, assisted living provides just the level of care they need to flourish and triumph in a new phase of life. Assisted living provides (CNA) certified nursing assistant help but not skilled nursing care or constant assistance. Most residents live in private or semiprivate rooms with a communal dining room for all meals. Additional services are usually offered for laundry, recreation and transportation as well.

**NURSING HOME:** These types of facilities generally provide their residents with the highest level of care outside of a hospital. While they do provide assistance in activities of daily living, they differ from other senior housing in that they also provide a high level of medical care including skilled nursing. A licensed physician supervises each resident's care and a nurse or other medical professional is always on the premises. Occupational and/or physical therapists are also available.

**ALZHEIMER'S CARE CENTER:** This type of care is offered at free-standing centers and in many assisted living facilities which are specially equipped and staffed to attend to Alzheimer's patients. Alzheimer's care facilities focus on safety, structured routine and personalized attention.

This discussion will continue at your next regular meeting in two parts. First, the applicants of the Galena Boulevard Senior Apartments will present a concept plan of their project. Second, we'll review the current Village zoning district regarding permitted and special use location for age based housing.

Currently the Village Zoning Ordinance addresses aged based housing as follows:

- **Congregate Care Facilities:** Permitted use in the B-3 district. Special Use in the E-1, R-2, R-3 and BP districts. Note in the BP district it must be located along a major arterial street.
- **Convalescent Centers:** Permitted use in B-3 district. Special Use in E-1, R-2, R-3 and BP districts. Note in the BP district it must be located along a major arterial street.

- **Nursing Homes:** Permitted use in B-3 district. Special Use in the E-1, R-2, R-3 and BP districts. Note, in the BP district it must be located along a major arterial street.
- **Group Homes:** Special Use in the E-1, R-2 and R-3 residential districts.
- **Apartments, Low Rise (three stories or less):** Special Use in the R-3 district.
- **Apartments, Mid Rise (three to seven stories):** Special Use in the B-1 and B-2 districts.

**UPDATE (3-5-13)**

On February 19<sup>th</sup> the COTW asked what locations the village currently had approved for age based housing. There are two sites within the Village that have been approved for senior housing as outlined below:

- 1) **Meadowridge Villas.** A total of 96 age-restricted duplex units were approved. A total of 40 units have been built to date. The remaining lots have been developed and all public improvements have been accepted.
- 2) **Prairie Glen.** A total of 144 Adult Living Villas were approved in the Prairie Glen Development Agreement. The units are shown as 11, 4 unit townhome buildings on the land plan. This phase of the development has never been built.

The COTW asked for addition information regarding the number of seniors living in the village base on the 2010 census. This information is as follows:

- 1) **Age 55+ 19.2%, Age 62+ 10.6%**

**Source:**

<[http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC\\_10\\_DP\\_DPDP1](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1)>

**COSTS**

There is no direct cost associated with this discussion at this time.

**RECOMMENDATION**

Staff would ask that the Board review the information and provide feedback to Staff.



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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** DISCUSSION: GALENA BOULEVARD SENIOR APARTMENTS  
**AGENDA:** MARCH 5, 2013 COTW MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Concept plan review and support for a proposed age-based housing development for senior apartments for a site on Galena Boulevard.

**DISCUSSION**

The North West Housing Partnership, Pirhl Development, Cordogan, Clark & Associates and Frank Wiedner (property owner) would like to review with the Village Board a proposed senior apartment development for the property located on the north side of Galena Boulevard west of Division Drive. The property is just west of Walgreens and is 3.79 acres. Plans call for a three story building which would include 66 independent living senior apartments, a parking lot and a detention pond surrounded by a walking path. The concept includes 52 one bedroom units with an average size of 650 square feet and 14 two bedroom units with an average size of 875 square feet. The overall density of the proposed development would be 17.4 dwelling units per acre (DUA). The applicants will present information regarding financing, tax credits, resident income levels and design information on March 5<sup>th</sup>. A letter of support from the Village has been requested which would be made part of the application submitted to the Illinois Housing Development Authority.

**ATTACHMENT**

- Concept Plan dated 2-25-13

**COSTS**

There are no costs associated with the review of this concept plan at this time.

**RECOMMENDATION**

Staff would ask that the Board review the information provided and provide feedback.

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** DISCUSSION: POLITICAL SIGN REGULATIONS  
**AGENDA:** MARCH 5, 2013 COTW MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Should the Board develop new political sign regulations.

**DISCUSSION**

As the Plan Commission continues to work on modifications for a new Sign Code, Staff believes that it is important to bring forward information and propose a simple set of amendments regarding political signs which are both timely and comply with the recently approved State Statute. Our current code requires a permit and a fee for political signs along with a limit on the number of days signs may be displayed. As it stands now, State Statute no longer allows municipalities to charge a fee or limit the number of days signs may be displayed. Village Staff has not been enforcing the permit, fee or time limit regulations as the State Statute overrules Village regulations.

With the help of the Village Attorney, we have drafted a revised set of standards in compliance with State law and propose the following text:

1. Maximum Size: A maximum of sixteen (16) square feet of sign area is permitted for each parcel. (Note: The 16 square foot limit is found within the current Village code, but the current code also allows for a maximum of 15 square feet per sign. Staff believes a 16 square foot limit per sign is appropriate as there is little appreciable difference between 15 square feet and 16 square feet and 16 square feet is one-half of a standard 4'x8' sheet of plywood.)
2. Political signs shall be permitted provided that such signs are not erected on public rights of way, attached to fences, trees, utility poles or the like, and further provided that such signs are not placed in a position that will obstruct or impair vision or traffic or in any way or manner create a hazard or disturbance to the health and welfare of the general public. (Note: This section meets current Village code.)

This item will need to be reviewed and a recommendation made by the Plan Commission before any Village Board action.

**COSTS**

There is a limited amount of Village Attorney cost associated with this discussion at this time.

**RECOMMENDATION**

Staff would ask that the Board direct staff to take the proposed changes to the political sign regulations to the Plan Commission for review and recommendation.

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** PRESENTATION SETTLERS RIDGE BOND CASE UPDATE  
**AGENDA:** MARCH 5, 2013 MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Update on Settlers Ridge bond case.

**DISCUSSION**

The Village Attorney will make a brief presentation on the status of the Village's lawsuit against the company that provided the performance bonds to guarantee the public improvements in Settlers Ridge. A short Q&A period will follow the presentation.

The Village Attorney has been diligently pursuing our claims against the Bond Company in the Settlers Ridge case. Initially the Village had to argue its case before the Bankruptcy Court in order to be allowed to make a claim against the Bonding Company, Fidelity and Deposit Company of Maryland (F&D). The Village was successful in doing so and proceeded to make its claim against F&D providing them with all the required information so that F&D could either complete the work or pay out funds to allow the Village to complete the work. After some initially positive discussions with F&D, they refused to honor the claim and the Village had no choice but to go back to court and file suit on the bonds. This case has been a long and drawn out process, with F&D using the court system to delay any action as much as possible, however, recently there has been some good news. On February 11<sup>th</sup> the Village Attorney argued the motion to strike the affirmative defenses made by F&D regarding this case in Kane County Court. After extensive oral arguments, the Judge granted all of the Villages motions and dismissed all of F&D defenses that the Village Attorney had attacked. This is a significant step forward for the Village. The Village Attorney feels that this substantially narrows the issues remaining in the case. The Village Attorney has now again approached F&D's Attorney regarding a possible settlement in this case. If F&D is not receptive to such discussions, the next step will be to move for a Summary Judgment in our favor regarding F&D's liability to the Village.

The next court date in this case is on March 15<sup>th</sup> at which time there will be a status update before the Judge.

## **COSTS**

There are Village Attorney costs associated with this item. It is the desire of the Village to recover these costs as a part of the final judgment.

## **RECOMMENDATION**

That the Board listen to the presentation and allow a Q&A session with the Board and any interested members of the public.

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** PRESENTATION: SETTLERS RIDGE BOND CASE UPDATE  
**AGENDA:** MARCH 5, 2013 COTW MEETING  
**DATE:** FEBRUARY 28, 2013

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**ISSUE**

Update on Settlers Ridge bond case.

**DISCUSSION**

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** RICHARD YOUNG, COMMUNITY DEVELOPMENT DIRECTOR  
MIKE FERENCAK, VILLAGE PLANNER  
**SUBJECT:** DISCUSSION: 2013 ZONING MAP  
**AGENDA:** MARCH 5, 2013 COMMITTEE OF THE WHOLE MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Shall the Village Board review the proposed 2013 zoning map.

**DISCUSSION**

As set by State Statute, the Village is required to adopt a new zoning map by March 31<sup>st</sup> of each year. The Village engineering consultant has produced a draft of the 2013 zoning map and a copy is attached for your review. Staff has reviewed the map and all changes recommended by staff have been incorporated into it. This map reflects already approved site-specific changes from the 2012 zoning map, as well miscellaneous corrections as follows:

- 1) Added Minor PUD Amendment Ordinance 2012-0817C label at College Corner subdivision.
- 2) Added Special Use Ordinance 2012-0717 label (for the wine shop) at 34 Terry Drive.
- 3) Added Minor PUD Amendment Ordinance 2012-0807D labels (for the 5<sup>th</sup> amendment) at the Prairie Glen development.
- 4) Added Major PUD Amendment / Preliminary & Final PUD / Special Use Ordinance 2012-1030A label to the American Heartland Bank property at the southwest corner of State Route 47 & Wheeler Road, as well as to the property at the northwest corner of State Route 47 & Park Avenue.
- 5) Corrected Norris Road next to Calvary Church with color to show it within the Village limits.
- 6) Corrected BNSF RR right-of-way to show portions within and outside Village limits, as determined by EEL.
- 7) Corrected Marquette Industrial Park subdivision along Granart Road to label it as "M1" instead of incorrect "M1 SU".

The Committee should review the map and inform staff of any further changes requested, if any, so that they may be incorporated into the map. Staff will be proposing a Resolution adopting the map at the Village Board meeting on March 19, 2013.

**COSTS**

The development of the revised map will be up to approximately \$1,500, plus copying costs for the individual maps. This amount will come from 01-55-6303 Engineering Services.

**RECOMMENDATION**

That the Board review the draft Zoning Map and by consensus place this item on the March 19, 2013 regular Village Board meeting agenda.

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**VILLAGE OF SUGAR GROVE  
INTEROFFICE MEMORANDUM**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** JUSTIN E. VANVOOREN, FINANCE DIRECTOR  
**SUBJECT:** FISCAL YEAR 2013-2014 BUDGET, WORKSHOP #1, MARCH 5, 2013  
**DATE:** FEBRUARY 27, 2013  
**CC:** BRENT EICHELBERGER, CINDY GALBREATH, RON MOSER, TONY SPECIALE, AND RICH YOUNG

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First of all, I would like to express my appreciation to each department and their staff who assisted and contributed to the preparation of this memo. At the first Budget Workshop on March 5, 2013 the fiscal year 2013 – 2014 General Fund Proposed Budget will be presented. The following items will be discussed:

- A) General Fund Budget Summary – This will include a brief overview of fiscal year 2012 – 2013 projected and fiscal year 2013 – 2014 proposed amounts.
- B) Full Time Equivalent Staffing Levels – This covers the last three fiscal years and the fiscal year 2013 – 2014 proposed staffing.
- C) Revenue and Expenditure Worksheets – These worksheets show detail by line item in general revenues and expenditures by department.
- D) Add Sheets – Suggested additional items for the Board to consider adding to the proposed budget.

Significant items to note when reviewing the attached documents include:

Fiscal Year 2012 – 2013 General Fund

I am pleased to report that the fiscal year 2012 – 2013 General Fund is projected to finish with a \$17,000 surplus versus the budgeted \$9,700 surplus. The surplus is a result of revenues being higher than budgeted by approximately \$88,400 and expenditures being higher than budgeted by approximately \$81,100.

Staff projected and included 0 residential, 6 commercial, and 325 miscellaneous building permits in the fiscal year 2012 – 2013 budget approved by the Village Board. As of February 14, 2013, 4 of the residential, 4 of the commercial, and 205 of the miscellaneous building permits have been issued.

The following are explanations of major revenue differences:

- 1) Utility tax – natural gas (\$18,900) – lower natural gas prices and a mild winter with lower usage causing less revenue;
- 2) Utility tax – telecommunications (\$17,000) – decrease in the number of and usage of land lines;
- 3) Towing fees \$30,000 – number of towing fees collected more than expected;
- 4) State income tax \$88,200 – IML has increased the projected per capita receipts;
- 5) Review and development fees (\$20,700) – developer reimbursable attorney and engineering fees are lower than anticipated; and
- 6) Reimbursement \$27,700 – insurance reimbursements, developer snow plowing, and parkway tree program (resident share) are higher than expected.

The following are explanations of major expenditure differences:

- 1) All departments, medical insurance \$15,300 – health insurance increase lower than expected;
- 2) Administration, insurance premiums \$9,200 – general insurance rates lower than expected;
- 3) Police, salaries, OT, and PT \$17,100 – decrease due to retirement of chief balanced against new contracts, training for staff, and traffic enforcement details;
- 4) Police, pension (\$25,700) – increase due to officer receiving disability pension;
- 5) Police, legal (\$13,200) – increase due to negotiations that took place with the Sergeants;
- 6) Police, other professional services (\$96,300) – increase due to contractual cost of interim chief;
- 7) Police, telecommunications \$28,400 – decrease due to savings based on number of calls and switch to Tri-Com Central Dispatch;
- 8) Police, general equipment (\$25,600) – increase due to purchase of new video cameras utilizing Drug/DUI fines;
- 9) Streets, repair and maintenance services - ROW (\$11,500) – increase is due to 2 street light replacements which were damaged by vehicles for which the Village received reimbursement;
- 10) Building Maintenance, repair and maintenance for buildings (\$11,600) – increase due to carpet replacement per Village Board direction.

#### Fiscal Year 2013 – 2014 General Fund

Staff is proposing a surplus of \$150,900 for fiscal year 2013 – 2014. Total revenue is expected to increase 8.0% from the fiscal year 2012 – 2013 projected actual and 10.3% from the fiscal year 2012 – 2013 approved budget. The Village is showing increases in several revenues (including, but not limited to income and sales tax) as the economy continues to gain strength. Total expenditures are expected to increase by 4.9% from the fiscal year 2012 – 2013 projected actual and 6.9% from the fiscal year 2012 – 2013 approved budget.

### Revenues

Fiscal year 2013 – 2014 revenues are estimated to increase by approximately \$342,600 from estimated actual. Significant changes include:

- 1) Property taxes (increase by \$80,000);
- 2) State income taxes (increase by \$48,600);
- 3) State sales tax (increase by \$155,500); and
- 4) Review and development fees (increase by \$35,000).

Staff has not increased any licenses, fines, or building related fees in the fiscal year 2013 – 2014 budget. Staff is proposing a 9% decrease in contractor license fees from \$165 to \$150.

### Expenditures

Fiscal year 2013 – 2014 expenditures are estimated to increase by approximately \$208,800 from estimated actual. Significant changes include:

### Personnel

Village-wide staffing levels are proposed to increase slightly from 37.663 Full Time Equivalents (FTE) to 38.163. This reflects the addition of a part-time administrative officer, as well as the replacement of a full-time patrol officer with five part-time patrol officers.

The proposed budget includes required cost of living and step increases in accordance with contracts. Non-represented employees are scheduled to receive an average market increase of 1.75% on May 1, as well as step increases for those that are not at the top of their range.

The overall health insurance premium (cost shared between the Village and employees) is budgeted to increase by 12.5%. In addition, the Village has budgeted for health related incentives for those employees who meet certain requirements.

### Information Technology

- 1) Scheduled replacement of exchange server (every 5 years) – \$6,800 total (\$3,400 in General Fund)

### Administration

- 2) IRMA liability insurance premiums (based on historical claims and average increase) – \$19,600

### Police

- 3) Pension (new disability claim) - \$28,200
- 4) Legal services (end of negotiations with represented employees) – (\$23,400)
- 5) Other professional services (end of interim chief contract) – (\$98,500)

- 6) Telecommunications (dispatch services agreement with Tri-Com) – \$67,900
- 7) General equipment (prior year purchase of squad video cameras) – (\$25,600)

Streets

- 8) Landscaping supplies (increase in the parkway tree program and included tree program for new houses) – \$13,600
- 9) Snow and ice control supplies (increase in the cost of salt due to new contract) – \$16,500

Community Development

- 10) Other professional services (Unified Development Code for which the Village has applied for a Kane County grant) – \$45,000

Add Sheets

The following items have already been included in the General Fund budget.

- 1) Police part-time administrative officer – \$34,100
- 2) Public Works contractual custodial services – \$10,000
- 3) Village wellness incentive program – \$10,500

In addition, the following items are presented for Board consideration for possible inclusion in the fiscal year 2013 – 2014 budget. They fall within the proposed \$150,900 surplus.

- 1) Village economic development infrastructure – \$115,000
- 2) Parkway tree replacement program – \$10,000
- 3) Restoration of Sidewalk Replacement Program – \$10,000
- 4) Handgun standardization – \$7,700

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 FUND SUMMARY BY DEPARTMENT

3/1/2013

ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
FUND BALANCE, BEGINNING OF YEAR	\$ 1,517,907	\$ 1,523,380	\$ 1,533,960	\$ 1,533,960	\$ 1,550,984	\$ 1,701,865	\$ 1,872,544
<b>REVENUES</b>	4,080,500	4,212,834	4,193,360	4,281,780	4,624,418	4,954,190	5,390,165
<b>EXPENDITURES BY DEPARTMENT</b>							
INFORMATION TECHNOLOGY	17,395	21,771	29,002	30,017	34,037	34,657	34,907
ADMINISTRATION	327,217	332,870	352,053	342,573	371,038	387,985	410,050
POLICE	1,962,004	2,074,106	2,172,410	2,268,001	2,259,294	2,358,536	2,449,377
PUBLIC WORKS - STREETS DIVISION	977,470	934,334	725,834	719,149	786,947	904,653	1,051,440
BUILDING MAINTENANCE	114,779	126,227	133,302	138,082	149,490	167,863	177,519
COMMUNITY DEVELOPMENT	465,713	490,880	544,322	549,903	631,838	666,430	845,961
FINANCE	147,628	140,899	147,556	143,973	159,455	164,222	173,859
BOARD AND COMMISSIONS	62,821	81,166	79,185	73,058	81,438	99,165	92,806
TOTAL EXPENDITURES	4,075,027	4,202,254	4,183,664	4,264,756	4,473,537	4,783,511	5,235,919
NET CHANGE IN FUND BALANCE	5,473	10,580	9,696	17,024	150,881	170,679	154,246
FUND BALANCE, END OF YEAR	\$ 1,523,380	\$ 1,533,960	\$ 1,543,656	\$ 1,550,984	\$ 1,701,865	\$ 1,872,544	\$ 2,026,790
GENERAL FUND RESERVE %	37.4%	36.5%		36.4%	38.0%	39.1%	38.7%

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 FUND SUMMARY BY CATEGORY

3/1/2013

ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
FUND BALANCE, BEGINNING OF YEAR	\$ 1,517,907	\$ 1,523,380	\$ 1,533,961	\$ 1,533,961	\$ 1,550,985	\$ 1,701,866	\$ 1,872,545
<b>REVENUES</b>							
PROPERTY TAXES	1,369,968	1,410,730	1,433,744	1,434,269	1,514,243	1,558,947	1,635,437
OTHER TAXES	2,030,368	2,139,588	2,170,351	2,227,029	2,444,653	2,537,952	2,653,957
CHARGES FOR SERVICES	93,854	103,984	123,700	102,780	139,135	263,970	331,378
INTERGOVERNMENTAL, GRANTS AND CONTRIBUTIONS	33,784	23,425	6,100	17,873	39,300	1,100	26,100
LICENSES AND PERMITS	85,186	101,864	103,535	93,255	108,540	164,512	235,776
FINES, FEES AND FORFEITURES	315,100	275,634	271,190	291,415	284,332	291,411	309,437
INTEREST	26,906	14,804	23,040	14,173	15,615	23,798	32,230
MISCELLANEOUS	95,334	110,305	29,200	56,899	43,600	75,000	125,850
TOTAL REVENUES	4,050,500	4,180,334	4,160,860	4,237,693	4,589,418	4,916,690	5,350,165
<b>EXPENDITURES BY CATEGORY</b>							
PERSONAL SERVICES	2,544,543	2,729,759	2,810,246	2,775,569	3,054,557	3,205,702	3,383,493
CONTRACTUAL SERVICES	766,729	799,547	903,430	989,684	904,642	934,525	1,080,209
COMMODITIES	275,897	294,827	310,177	339,692	357,372	395,557	475,590
TOTAL EXPENDITURES	3,587,169	3,824,133	4,023,853	4,104,945	4,316,571	4,535,784	4,939,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463,331	356,201	137,007	132,748	272,847	380,906	410,873
<b>OTHER FINANCING SOURCES (USES)</b>							
TRANSFERS IN	30,000	32,500	32,500	44,087	35,000	37,500	40,000
TRANSFERS OUT	(487,858)	(378,120)	(159,811)	(159,811)	(156,966)	(247,727)	(296,627)
TOTAL OTHER FINANCING SOURCES (USES)	(457,858)	(345,620)	(127,311)	(115,724)	(121,966)	(210,227)	(256,627)
NET CHANGE IN FUND BALANCE	5,473	10,581	9,696	17,024	150,881	170,679	154,246
FUND BALANCE, END OF YEAR	\$ 1,523,380	\$ 1,533,961	\$ 1,543,657	\$ 1,550,985	\$ 1,701,866	\$ 1,872,545	\$ 2,026,791

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 FUND SUMMARY BY FUNCTION AND CATEGORY

3/1/2013

ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
FUND BALANCE, BEGINNING OF YEAR	\$ 1,517,907	\$ 1,523,380	\$ 1,533,961	\$ 1,533,961	\$ 1,550,985	\$ 1,701,866	\$ 1,872,545
<b>REVENUES</b>							
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OTHER TAXES	2,030,368	2,139,588	2,170,351	2,227,029	2,444,653	2,537,952	2,653,957
CHARGES FOR SERVICES	93,854	103,984	123,700	102,780	139,135	263,970	331,378
INTERGOVERNMENTAL, GRANTS AND CONTRIBUTIONS	33,784	23,425	6,100	17,873	39,300	1,100	26,100
LICENSES AND PERMITS	85,186	101,864	103,535	93,255	108,540	164,512	235,776
FINES, FEES AND FORFEITURES	315,100	275,634	271,190	291,415	284,332	291,411	309,437
INTEREST	26,906	14,804	23,040	14,173	15,615	23,798	32,230
MISCELLANEOUS	95,334	110,305	29,200	56,899	43,600	75,000	125,850
TOTAL REVENUES	4,050,500	4,180,334	4,160,860	4,237,693	4,589,418	4,916,690	5,350,165
<b>EXPENDITURES</b>							
<b>GENERAL GOVERNMENT</b>							
PERSONAL SERVICES	779,908	827,888	869,357	851,387	918,659	985,071	1,043,985
CONTRACTUAL SERVICES	325,919	335,329	380,662	389,956	472,561	498,540	645,669
COMMODITIES	18,252	19,122	23,927	24,789	24,602	25,237	29,262
TOTAL GENERAL GOVERNMENT	1,124,079	1,182,339	1,273,946	1,266,132	1,415,822	1,508,848	1,718,916
<b>PUBLIC SAFETY</b>							
PERSONAL SERVICES	1,513,259	1,608,780	1,635,379	1,626,013	1,806,237	1,881,139	1,979,959
CONTRACTUAL SERVICES	347,996	362,598	403,596	486,164	299,599	310,458	297,979
COMMODITIES	50,866	67,109	76,125	98,514	87,295	84,370	88,870
CAPITAL	-	-	-	-	-	-	-
TOTAL PUBLIC SAFETY	1,912,121	2,038,487	2,115,100	2,210,691	2,193,131	2,275,967	2,366,808
<b>HIGHWAYS &amp; STREETS</b>							
PERSONAL SERVICES	251,376	293,091	305,510	298,169	329,661	339,492	359,549
CONTRACTUAL SERVICES	92,814	101,620	119,172	113,564	132,482	125,527	136,561
COMMODITIES	206,779	208,596	210,125	216,389	245,475	285,950	357,458
CAPITAL	-	-	-	-	-	-	-
TOTAL HIGHWAYS & STREETS	550,969	603,307	634,807	628,122	707,618	750,969	853,568
TOTAL EXPENDITURES	3,587,169	3,824,133	4,023,853	4,104,945	4,316,571	4,535,784	4,939,292
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	463,331	356,201	137,007	132,748	272,847	380,906	410,873
<b>OTHER FINANCING SOURCES (USES)</b>							
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TOTAL OTHER FINANCING SOURCES (USES)	(457,858)	(345,620)	(127,311)	(115,724)	(121,966)	(210,227)	(256,627)
NET CHANGE IN FUND BALANCE	5,473	10,581	9,696	17,024	150,881	170,679	154,246
FUND BALANCE, END OF YEAR	\$ 1,523,380	\$ 1,533,961	\$ 1,543,657	\$ 1,550,985	\$ 1,701,866	\$ 1,872,545	\$ 2,026,791

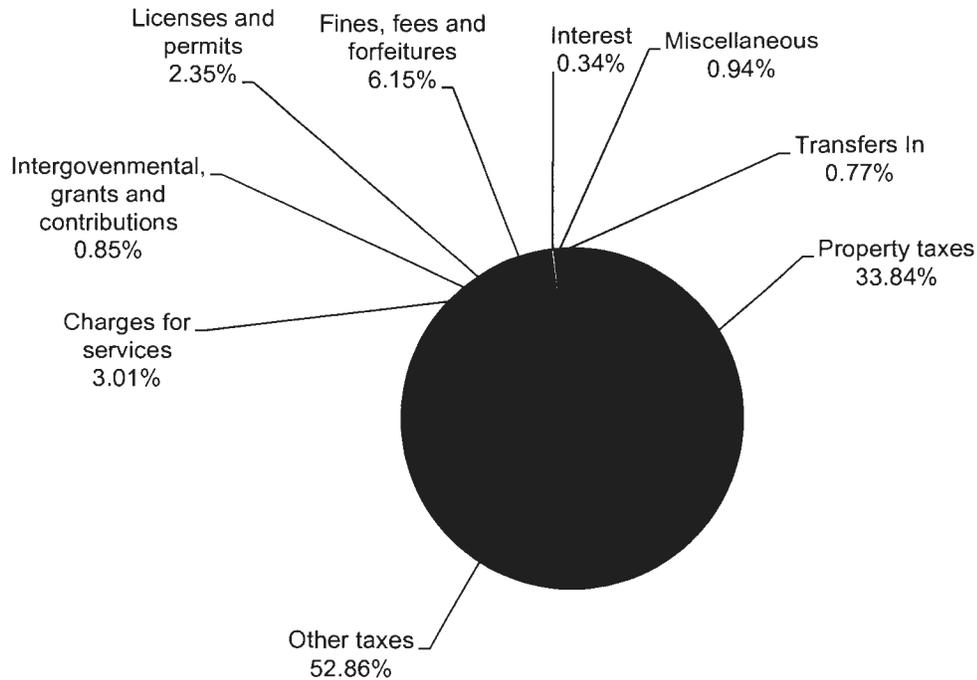
Village of Sugar Grove  
 Full Time Equivalent Staffing Levels  
 Fiscal Year 2013 - 2014

	FY 10-11 Revised	FY 11-12 Approved	FY 12-13 Approved	FY 13-14 Proposed
<b>Administration</b>				
Administrator	1	1	1	1
Administrative Assistant	1	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Finance</b>				
Finance Director	1	1	1	1
Accountant	1	1	1	1
Payroll Clerk	0.5	0.5	0.5	0.5
Accounts Payable Clerk	0.5	0.5	0.5	0.5
Utility Billing Clerk	0	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Police</b>				
Chief	1	1	1	1
Sergeant	3	3	3	3
Patrol Officer	10	9	9	8
Patrol Officer - PT	1.25	1.25	1.25	2.25
Administrative Officer - PT	0	0	0	0.5
Office Assistant	1	1	1	1
<b>Total</b>	<b>16.25</b>	<b>15.25</b>	<b>15.25</b>	<b>15.75</b>
<b>Community Development</b>				
Director	1	1	1	1
Planner	1	1	1	1
Permit Clerk	1	1	1	1
Chief Building Inspector	0	0	0	0
Building Inspector	1	1	1	1
Plumbing Inspector (1 permit=15hrs/wk)	0.375	0.375	0.375	0.375
<b>Total</b>	<b>4.375</b>	<b>4.375</b>	<b>4.375</b>	<b>4.375</b>
<b>PW General</b>				
PW Director	1	1	1	1
Office Assistant	1	1	1	1
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Utilities</b>				
Supervisor	1	1	1	1
Water Operator	1	1	1	1
Laborer/M1	4	4	4	4
Seasonal Worker (1 @ 720 hours)	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Streets</b>				
Supervisor	1	1	1	1
Laborer/M1	2	2	2	2
Seasonal Worker (1 @ 720 hours)	0	0.692	1.038	1.038
<b>Total</b>	<b>3</b>	<b>3.692</b>	<b>4.038</b>	<b>4.038</b>
<b>Building Maintenance</b>				
Laborer/M1	1.5	1.5	1	1
Custodian	0	0	0	0
<b>Total</b>	<b>1.5</b>	<b>1.5</b>	<b>1</b>	<b>1</b>
<b>Total FTE's</b>	<b>38.125</b>	<b>37.817</b>	<b>37.663</b>	<b>38.163</b>
<b>Increase</b>	<b>-2.6%</b>	<b>-0.8%</b>	<b>-0.4%</b>	<b>1.3%</b>
<b>Population</b>	<b>8,997</b>	<b>8,997</b>	<b>8,997</b>	<b>8,997</b>
<b>Employees per 1,000 residents</b>	<b>4.24</b>	<b>4.20</b>	<b>4.19</b>	<b>4.24</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 REVENUES BY CATEGORY

3/1/2013

REVENUES	2014 Budget	Percent of Budget
Property taxes	\$ 1,514,243	32.74%
Other taxes	2,444,653	52.86%
Charges for services	139,135	3.01%
Intergovernmental, grants and contributions	39,300	0.85%
Licenses and permits	108,540	2.35%
Fines, fees and forfeitures	284,332	6.15%
Interest	15,615	0.34%
Miscellaneous	43,600	0.94%
Transfers In	35,000	0.76%
Total	\$ 4,624,418	100.00%



VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 REVENUES

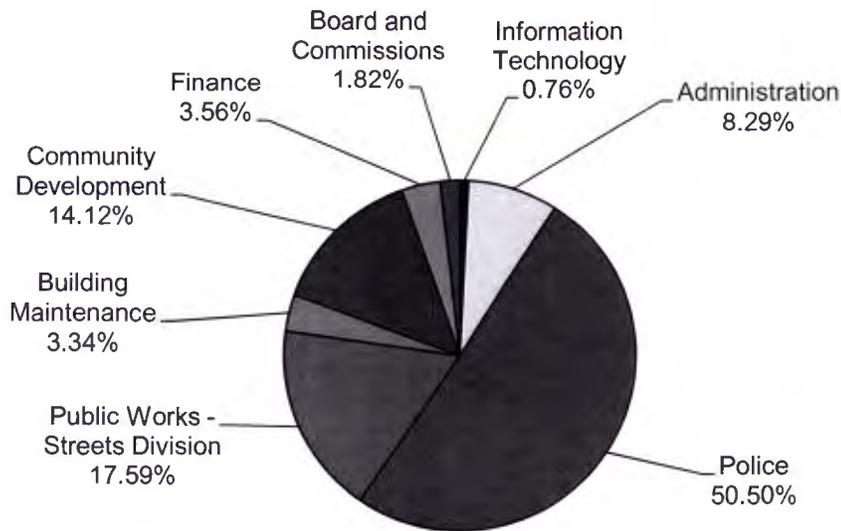
3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-00-0000	<b>REVENUES</b>							
3110	PROPERTY TAX - CORPORATE	\$ 692,028	\$ 721,371	\$ 739,050	\$ 739,292	\$ 763,347	\$ 786,247	\$ 825,559
3111	PROPERTY TAX - AUDIT	11,429	11,769	11,964	11,968	12,646	13,025	13,676
3112	PROPERTY TAX - LIABILITY INSUR	74,499	76,708	77,973	77,999	73,408	75,610	79,391
3113	PROPERTY TAX - I.M.R.F	78,108	71,600	66,979	67,001	61,781	63,634	66,816
3114	PROPERTY TAX- SOCIAL SECURITY	159,181	163,904	166,602	166,656	176,152	181,437	190,509
3115	PROPERTY TAX - STREET LIGHTING	45,242	46,587	47,355	47,371	50,073	51,575	54,154
3150	PROPERTY TAX - POLICE	111,252	114,554	116,439	116,477	123,119	126,813	133,154
3151	PROPERTY TAX - POLICE PENSION	163,986	168,851	171,631	171,688	217,608	224,136	235,343
3162	UTILITY TAX - ELECTRICITY	282,517	275,528	279,067	291,052	293,963	302,782	317,921
3163	UTILITY TAX - NATURAL GAS	131,137	106,785	123,245	104,315	105,358	108,519	113,945
3164	UTILITY TAX - TELECOMMUNICATION	330,848	342,957	337,819	320,772	323,980	333,699	350,384
3210	LIQUOR LICENSE	15,250	17,185	17,450	19,925	20,500	23,550	26,600
3250	FRANCHISE AGREEMENT	57,468	61,372	62,117	61,414	61,086	62,919	66,065
3291	CONTRACTORS LICENSE	23,100	31,680	33,000	26,840	30,000	33,750	37,500
3310	BUILDING PERMITS	34,499	44,469	38,100	38,100	47,550	81,840	137,575
3320	CERTIFICATES OF OCCUPANCY	1,395	1,410	600	1,000	1,600	4,600	9,900
3330	PLAN REVIEWS	1,634	1,598	1,920	1,920	2,965	6,369	12,123
3340	REINSPECTIONS	1,750	1,280	1,215	1,215	1,615	3,093	5,768
3350	TRANSITION FEES	580	-	-	-	-	-	-
3380	TOWING FEES	58,500	40,000	30,000	60,000	50,000	50,000	50,000
3390	OTHER LICENSES, PERMITS AND FEES	4,795	3,165	9,250	3,250	3,310	10,310	5,310
3410	STATE INCOME TAX	684,720	762,281	721,559	809,730	858,314	858,314	858,314
3420	REPLACEMENT TAX	2,063	1,820	1,889	1,755	1,852	1,908	1,965
3440	GRANTS	33,784	23,425	6,100	17,873	39,300	1,100	26,100
3449	STATE SALES TAX REBATE	(122,555)	(110,459)	(119,733)	(114,850)	-	-	-
3450	STATE SALES TAX	595,363	629,364	684,352	674,801	715,435	786,979	865,677
3451	STATE USE TAX	126,275	131,312	142,153	139,454	145,751	145,751	145,751
3453	STATE GAMES AND LICENSES	2,183	1,077	2,000	1,005	1,000	1,000	1,000
3460	ROAD AND BRIDGE TAX	34,243	35,386	35,751	35,817	36,109	36,470	36,835
3510	COURT FINES	102,578	95,580	93,296	92,692	93,619	96,428	101,249
3520	FORFEITURES	-	-	-	-	-	-	7,500
3590	OTHER FINES	96,472	78,678	85,727	77,259	79,577	81,964	84,423
3740	ZONING & FILING FEES	4,250	4,900	5,500	5,500	5,500	40,500	40,500
3760	REVIEW & DEVELOPMENT FEES	78,697	88,386	106,600	85,930	120,950	207,640	268,700
3761	REIMBURSEMENT	94,748	109,142	27,500	55,199	41,900	73,300	124,150
3790	CHARGES FOR POLICE SERVICES	10,050	10,050	10,500	10,250	10,000	10,000	10,000
3791	OTHER CHARGES FOR SERVICES	857	648	1,100	1,100	2,685	5,830	12,178
3810	INTEREST INCOME	26,906	14,804	23,040	14,173	15,615	23,798	32,230
3820	RENTAL INCOME	-	800	1,200	1,200	1,200	1,200	1,200
3840	MAP/PLAN/CODE CHARGES	82	4	50	50	50	100	200
3890	MISCELLANEOUS INCOME	586	363	500	500	500	500	500
3990	INTERFUND TRANSFERS	30,000	32,500	32,500	44,087	35,000	37,500	40,000
<b>TOTAL REVENUES:</b>		<b>\$ 4,080,500</b>	<b>\$ 4,212,834</b>	<b>\$ 4,193,360</b>	<b>\$ 4,281,780</b>	<b>\$ 4,624,418</b>	<b>\$ 4,954,190</b>	<b>\$ 5,390,165</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 EXPENDITURES BY DEPARTMENT

3/1/2013

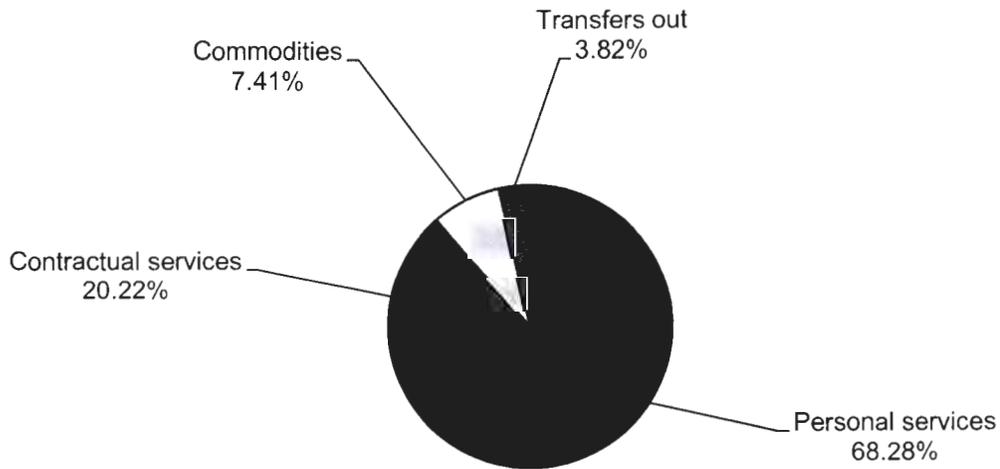
EXPENDITURES	2014 Budget	Percent of Budget
Information Technology	\$ 34,037	0.76%
Administration	371,038	8.29%
Police	2,259,294	50.50%
Public Works - Streets Division	786,947	17.59%
Building Maintenance	149,490	3.34%
Community Development	631,838	14.12%
Finance	159,455	3.56%
Board and Commissions	81,438	1.82%
<b>Total</b>	<b>\$ 4,473,537</b>	<b>100.00%</b>



VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 EXPENDITURES BY CATEGORY

3/1/2013

EXPENDITURES	2014 Budget	Percent of Budget
Personal services	\$ 3,054,557	68.28%
Contractual services	904,642	20.22%
Commodities	357,372	7.99%
Transfers out	156,966	3.51%
Total	\$ 4,473,537	100.00%



VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 49  
 INFORMATION TECHNOLOGY EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-49-0000	<u>INFORMATION TECHNOLOGY</u>							
	<u>PERSONAL SERVICES</u>							
6101	SALARIES - FULL-TIME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6201	MEDICAL/DENTAL INSURANCE	-	-	-	-	-	-	-
6202	GROUP LIFE INSURANCE	-	-	-	-	-	-	-
6204	UNEMPLOYMENT COMPENSATION	-	-	-	-	-	-	-
6205	SOC SEC CONTRIBUTIONS	-	-	-	-	-	-	-
6206	IMRF CONTRIBUTIONS	-	-	-	-	-	-	-
6208	TRAINING & MEMBERSHIPS	-	-	-	-	-	-	-
6209	UNIFORM ALLOWANCE	-	-	-	-	-	-	-
6507	MILEAGE REIMBURSEMENT	-	-	-	-	-	-	-
	TOTAL PERSONAL SERVICES	-	-	-	-	-	-	-
	<u>CONTRACTUAL SERVICES</u>							
6306	MEDICAL SERVICES	-	-	-	-	-	-	-
6307	I. S. SERVICES	16,975	21,550	28,562	29,562	33,537	34,137	34,387
6502	TELECOMMUNICATIONS	420	203	420	435	480	480	480
6504	PRINTING	-	-	-	-	-	-	-
6509	RECRUITMENT	-	-	-	-	-	-	-
	TOTAL CONTRACTUAL SERVICES	17,395	21,753	28,982	29,997	34,017	34,617	34,867
	<u>COMMODITIES</u>							
6501	POSTAGE & DELIVERY	-	-	-	-	-	-	-
6603	SPECIALIZED SUPPLIES	-	-	-	-	-	-	-
6608	BOOKS & PUBLICATIONS	-	-	-	-	-	-	-
6613	GENERAL OFFICE SUPPLIES	-	18	20	20	20	40	40
	TOTAL COMMODITIES	-	18	20	20	20	40	40
	<b>TOTAL INFORMATION TECHNOLOGY EXPENDITURES</b>	<b>\$ 17,395</b>	<b>\$ 21,771</b>	<b>\$ 29,002</b>	<b>\$ 30,017</b>	<b>\$ 34,037</b>	<b>\$ 34,657</b>	<b>\$ 34,907</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 50  
 ADMINISTRATION

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-50-0000	<b>ADMINISTRATION</b>							
	<b>PERSONAL SERVICES</b>							
6101	SALARIES - FULL-TIME	\$ 169,736	\$ 177,089	\$ 180,246	\$ 182,249	\$ 182,108	\$ 191,213	\$ 202,686
6201	MEDICAL/DENTAL INSURANCE	30,646	30,775	31,243	30,147	33,790	35,480	37,609
6202	GROUP LIFE INSURANCE	163	158	158	158	168	176	187
6204	UNEMPLOYMENT COMPENSATION	-	-	180	-	182	191	202
6205	SOC SEC CONTRIBUTIONS	10,602	10,943	10,972	11,195	11,736	12,323	13,062
6206	IMRF CONTRIBUTIONS	16,229	16,081	15,898	16,526	17,555	18,433	19,539
6208	TRAINING & MEMBERSHIPS	1,801	1,595	3,969	3,876	4,973	5,018	6,065
6209	UNIFORM ALLOWANCE	-	-	-	-	100	100	150
6507	MILEAGE REIMBURSEMENT	1,384	1,802	1,805	1,720	1,805	1,857	1,910
	TOTAL PERSONAL SERVICES	230,561	238,443	244,471	245,871	252,417	264,791	281,410
	<b>CONTRACTUAL SERVICES</b>							
6301	LEGAL SERVICES	10,698	9,808	11,550	10,500	10,758	11,081	11,413
6306	MEDICAL SERVICES	34	55	59	59	619	619	619
6307	I. S. SERVICES	-	-	-	-	-	-	-
6309	OTHER PROFESSIONAL SERVICES	-	14	350	536	525	525	525
6402	RENTAL	3,598	2,882	2,883	2,883	2,891	2,891	2,891
6403	REPAIR & MAINT SERVICES - EQUIP.	90	230	135	135	215	215	215
6502	TELECOMMUNICATIONS	2,393	1,272	1,967	1,500	2,463	2,103	2,131
6504	PRINTING	-	47	125	25	250	125	250
6509	RECRUITMENT	-	-	-	-	-	-	-
6514	INSURANCE PREMIUMS	79,304	79,292	89,288	80,104	99,765	104,490	109,451
	TOTAL CONTRACTUAL SERVICES	96,117	93,600	106,357	95,742	117,486	122,049	127,495
	<b>COMMODITIES</b>							
6501	POSTAGE & DELIVERY	26	27	25	10	25	35	35
6608	BOOKS & PUBLICATIONS	400	691	800	800	860	860	860
6613	GENERAL OFFICE SUPPLIES	113	109	400	150	250	250	250
	TOTAL COMMODITIES	539	827	1,225	960	1,135	1,145	1,145
	<b>TOTAL ADMINISTRATION EXPENDITURES</b>	<b>\$ 327,217</b>	<b>\$ 332,870</b>	<b>\$ 352,053</b>	<b>\$ 342,573</b>	<b>\$ 371,038</b>	<b>\$ 387,985</b>	<b>\$ 410,050</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 51  
 POLICE EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-51-0000	<u>POLICE</u>							
	<u>PERSONAL SERVICES</u>							
6101	SALARIES - FULL-TIME	\$ 897,882	\$ 977,195	\$ 995,429	\$ 915,897	\$ 968,887	\$ 1,017,331	\$ 1,078,371
6102	SALARIES - OVERTIME	68,559	72,815	58,927	96,846	122,835	128,977	136,716
6104	SALARIES - PART-TIME	53,275	47,922	54,983	79,516	104,312	109,528	116,100
6105	SALARIES - SEASONAL	60	30	-	-	-	-	-
6106	POLICE PENSION	217,489	222,543	222,543	248,222	276,383	279,147	281,938
6201	MEDICAL/DENTAL INSURANCE	177,772	185,587	193,167	181,695	216,278	227,092	240,718
6202	GROUP LIFE INSURANCE	1,467	1,334	1,344	1,183	1,326	1,392	1,476
6204	UNEMPLOYMENT COMPENSATION	-	-	1,109	-	1,196	1,256	1,331
6205	SOC SEC CONTRIBUTIONS	76,206	82,124	84,864	80,817	91,497	96,072	101,836
6206	IMRF CONTRIBUTIONS	4,535	4,473	4,418	4,537	4,818	5,059	5,363
6208	TRAINING & MEMBERSHIPS	4,814	4,357	4,595	4,300	9,030	5,430	5,855
6209	UNIFORM ALLOWANCE	11,200	10,400	14,000	13,000	9,675	9,855	10,155
6507	MILEAGE REIMBURSEMENT	-	-	-	-	-	-	100
	TOTAL PERSONAL SERVICES	1,513,259	1,608,780	1,635,379	1,626,013	1,806,237	1,881,139	1,979,959
	<u>CONTRACTUAL SERVICES</u>							
6301	LEGAL SERVICES	41,113	92,907	54,800	68,000	44,600	77,600	55,160
6306	MEDICAL SERVICES	449	462	860	2,000	741	741	741
6307	I. S. SERVICES	360	150	-	4,606	8,840	9,157	9,490
6309	OTHER PROFESSIONAL SERVICES	4,040	7,454	9,750	106,000	7,475	7,475	7,475
6402	RENTAL	2,189	2,191	2,191	2,191	2,191	2,191	2,191
6403	REPAIR & MAINT. SERV - EQUIPMENT	12,107	16,156	18,303	14,000	15,303	13,053	13,603
6407	REPAIR & MAINT. SERV - VEHICLES	29,479	34,662	30,000	30,000	30,000	30,000	30,000
6502	TELECOMMUNICATIONS	256,238	207,406	283,867	255,517	187,574	168,866	176,644
6504	PRINTING	2,014	1,210	1,275	2,300	1,275	1,275	2,575
6508	RECEPTIONS & ENTERTAINMENT	7	-	50	50	100	100	100
6509	RECRUITMENT	-	-	2,500	1,500	1,500	-	-
	TOTAL CONTRACTUAL SERVICES	347,996	362,598	403,596	486,164	299,599	310,458	297,979
	<u>COMMODITIES</u>							
6500	GENERAL EQUIPMENT	-	502	2,000	27,584	2,200	1,000	4,000
6501	POSTAGE & DELIVERY	777	892	950	700	1,445	1,445	1,445
6601	FUELS & LUBRICANTS	46,403	57,394	65,700	60,000	72,000	72,000	72,000
6603	SPECIALIZED SUPPLIES/TOOLS	2,540	5,912	4,975	6,000	8,650	6,925	6,925
6604	SAFETY SUPPLIES	-	-	200	200	200	200	200
6608	BOOKS & PUBLICATIONS	116	403	300	30	300	300	300
6613	GENERAL OFFICE SUPPLIES	1,030	2,006	2,000	4,000	2,500	2,500	2,500
6617	VEHICLE MAINTENANCE SUPPLIES	-	-	-	-	-	-	1,500
	TOTAL COMMODITIES	50,866	67,109	76,125	98,514	87,295	84,370	88,870
	<u>TRANSFERS OUT</u>							
7010	TRANSFER TO EQUIP. REPLACEMENT	49,883	35,619	57,310	57,310	66,163	82,569	82,569
	TOTAL TRANSFERS OUT	49,883	35,619	57,310	57,310	66,163	82,569	82,569
	<b>TOTAL POLICE EXPENDITURES</b>	<b>\$ 1,962,004</b>	<b>\$ 2,074,106</b>	<b>\$ 2,172,410</b>	<b>\$ 2,268,001</b>	<b>\$ 2,259,294</b>	<b>\$ 2,358,536</b>	<b>\$ 2,449,377</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 53  
 PUBLIC WORKS - STREETS DIVISION EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
<b>01-53-0000</b>	<b><u>PUBLIC WORKS - STREETS DIVISION</u></b>							
	<b><u>PERSONAL SERVICES</u></b>							
6101	SALARIES - FULL-TIME	\$ 164,015	\$ 196,841	\$ 207,422	\$ 207,079	\$ 219,525	\$ 230,501	\$ 244,331
6102	SALARIES - OVERTIME	9,093	5,788	9,913	9,913	10,601	11,131	11,799
6104	SALARIES - PART TIME	10,828	6,716	-	-	-	-	-
6105	SALARIES - SEASONAL	1,071	11,799	9,891	3,636	9,880	3,458	3,665
6201	MEDICAL/DENTAL INSURANCE	32,398	31,102	36,516	36,457	43,758	45,946	48,703
6202	GROUP LIFE INSURANCE	315	374	374	374	398	418	443
6204	UNEMPLOYMENT COMPENSATION	-	-	217	-	230	242	257
6205	SOC SEC CONTRIBUTIONS	13,667	16,472	17,383	16,324	18,360	19,278	20,435
6206	IMRF CONTRIBUTIONS	17,495	19,007	19,169	19,739	22,184	23,293	24,691
6208	TRAINING & MEMBERSHIPS	1,644	3,958	3,650	3,650	3,650	3,950	3,950
6209	UNIFORM ALLOWANCE	815	989	950	954	1,050	1,250	1,250
6507	MILEAGE REIMBURSEMENT	35	45	25	43	25	25	25
	<b>TOTAL PERSONAL SERVICES</b>	<b>251,376</b>	<b>293,091</b>	<b>305,510</b>	<b>298,169</b>	<b>329,661</b>	<b>339,492</b>	<b>359,549</b>
	<b><u>CONTRACTUAL SERVICES</u></b>							
6301	LEGAL SERVICES	1,094	681	500	500	500	500	500
6303	ENGINEERING SERVICES	6,987	5,817	13,400	2,500	14,025	4,000	7,875
6306	MEDICAL SERVICES	527	619	578	578	658	762	412
6307	I.S. SERVICES	-	-	-	-	-	-	-
6309	OTHER PROFESSIONAL SERVICES	3,202	6,075	3,200	3,200	3,425	3,425	3,425
6402	RENTAL	2,477	541	3,540	3,040	3,040	4,040	4,040
6403	REPAIR & MAINT SERVICES - EQUIPMENT	189	1,574	3,697	3,697	3,697	3,697	3,697
6405	REPAIR & MAINT SERVICES - ROW	24,451	33,369	30,524	42,000	42,624	42,624	47,624
6407	REPAIR & MAINT SERVICES - VEHICLES	10,158	12,123	16,000	16,000	20,000	20,000	20,000
6502	TELECOMMUNICATIONS	2,829	2,788	2,821	2,819	2,876	3,040	3,247
6503	PUBLISHING	-	-	50	50	50	50	50
6504	PRINTING	-	139	200	200	700	200	700
6508	RECEPTIONS & ENTERTAINMENT	98	111	200	200	200	200	200
6509	RECRUITMENT	-	-	300	150	150	450	150
6511	ELECTRICITY	40,559	37,730	43,662	38,130	40,037	42,039	44,141
6516	EMPLOYEE ACTIVITIES	243	53	500	500	500	500	500
	<b>TOTAL CONTRACTUAL SERVICES</b>	<b>92,814</b>	<b>101,620</b>	<b>119,172</b>	<b>113,564</b>	<b>132,482</b>	<b>125,527</b>	<b>136,561</b>
	<b><u>COMMODITIES</u></b>							
6500	GENERAL EQUIPMENT	-	14,493	-	-	-	-	-
6501	POSTAGE & DELIVERY	48	156	175	175	175	175	175
6601	FUELS & LUBRICANTS	13,313	21,368	17,400	15,000	19,000	19,500	20,000
6603	SPECIALIZED SUPPLIES/TOOLS	3,602	5,288	5,500	5,500	5,500	5,500	5,500
6604	SAFETY SUPPLIES	789	788	450	500	800	700	900
6606	LANDSCAPING SUPPLIES	1,756	29,530	14,850	15,150	28,750	49,150	97,500
6608	BOOKS & PUBLICATIONS	198	-	250	250	250	250	250
6609	ROADWAY MAINTENANCE SUPPLIES	11,574	11,726	11,000	16,000	13,000	14,500	14,500
6610	TRAFFIC CONTROL SUPPLIES	2,698	14,572	13,500	13,500	13,500	15,000	16,500
6612	EQUIPMENT MAINTENANCE SUPPLIES	3,080	4,237	3,000	4,872	4,000	4,000	4,000
6613	GENERAL OFFICE SUPPLIES	341	436	500	500	500	600	600
6615	SNOW & ICE CONTROL SUPPLIES	159,875	97,788	133,500	133,500	150,000	166,575	187,533
6617	VEHICLE MAINTENANCE SUPPLIES	9,505	8,214	10,000	11,442	10,000	10,000	10,000
	<b>TOTAL COMMODITIES</b>	<b>206,779</b>	<b>208,596</b>	<b>210,125</b>	<b>216,389</b>	<b>245,475</b>	<b>285,950</b>	<b>357,458</b>
	<b><u>TRANSFERS OUT</u></b>							
7010	TRANSFER TO EQUIP. REPLACE.	108,004	91,027	91,027	91,027	79,329	153,684	197,872
9003	INTERFUND TRANSFER	318,497	240,000	-	-	-	-	-
	<b>TOTAL TRANSFERS OUT</b>	<b>426,501</b>	<b>331,027</b>	<b>91,027</b>	<b>91,027</b>	<b>79,329</b>	<b>153,684</b>	<b>197,872</b>
	<b>TOTAL P.W. - STREETS DIVISION EXPENDITURES</b>	<b>\$ 977,470</b>	<b>\$ 934,334</b>	<b>\$ 725,834</b>	<b>\$ 719,149</b>	<b>\$ 786,947</b>	<b>\$ 904,653</b>	<b>\$ 1,051,440</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 54  
 BUILDING MAINTENANCE EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-54-0000	<b>BUILDING MAINTENANCE</b>							
	<b>PERSONAL SERVICES</b>							
6101	SALARIES - FULL-TIME	\$ 45,068	\$ 53,440	\$ 56,415	\$ 56,336	\$ 60,020	\$ 63,021	\$ 66,802
6102	SALARIES - OVERTIME	3,398	1,990	3,437	3,437	3,672	3,856	4,087
6104	SALARIES PART-TIME	10,828	6,716	-	-	-	19,656	20,835
6105	SALARIES - SEASONAL	459	4,590	9,891	1,558	9,880	3,458	3,665
6201	MEDICAL/DENTAL INSURANCE	11,223	10,273	11,392	11,075	13,259	13,922	14,757
6202	GROUP LIFE INSURANCE	101	106	106	106	112	118	125
6204	UNEMPLOYMENT COMPENSATION	-	-	60	-	64	67	71
6205	SOC SEC CONTRIBUTIONS	4,424	4,801	5,335	4,528	5,628	5,909	6,264
6206	IMRF CONTRIBUTIONS	5,641	5,649	5,279	5,440	6,140	6,447	6,834
6208	TRAINING & MEMBERSHIPS	76	65	200	200	200	500	750
6209	UNIFORM ALLOWANCE	322	487	350	350	300	300	700
6507	MILEAGE REIMBURSEMENT	-	-	-	-	-	25	25
	TOTAL PERSONAL SERVICES	81,540	88,117	92,465	83,030	99,275	117,279	124,915
	<b>CONTRACTUAL SERVICES</b>							
6306	MEDICAL SERVICES	164	120	90	90	65	65	765
6307	I.S. SERVICES	-	-	-	-	-	-	-
6402	RENTAL	64	529	79	579	579	954	954
6403	REPAIR & MAINT SERVICES - EQUIPMENT	2,564	849	2,680	2,680	2,680	2,680	2,680
6406	REPAIR & MAINT SERVICES - BUILDINGS	9,061	14,827	14,000	25,587	22,348	21,810	21,810
6407	REPAIR & MAINT SERVICES - VEHICLES	70	989	150	150	150	150	150
6502	TELECOMMUNICATIONS	1,993	1,732	1,527	1,594	1,207	1,184	1,679
6509	RECRUITMENT	-	-	-	-	-	-	300
6512	WATER & SEWER	1,346	1,330	1,625	1,625	1,625	1,625	1,625
	TOTAL CONTRACTUAL SERVICES	15,262	20,376	20,151	32,305	28,654	28,468	29,963
	<b>COMMODITIES</b>							
6500	GENERAL EQUIPMENT	-	158	500	500	500	625	750
6601	FUELS & LUBRICANTS	4,482	3,488	5,000	5,800	5,800	5,800	5,800
6602	CUSTODIAL SUPPLIES	2,735	2,486	3,600	3,600	3,600	3,600	3,600
6603	SPECIALIZED SUPPLIES & TOOLS	716	1,092	1,300	1,000	1,300	1,300	1,300
6604	SAFETY SUPPLIES	465	434	500	500	500	500	900
6606	LANDSCAPING SUPPLIES	208	1,307	1,250	1,250	1,325	1,500	1,500
6608	BOOKS & PUBLICATIONS	98	-	100	111	100	200	200
6611	BUILDING MATERIALS & SUPPLIES	1,806	1,649	1,450	3,000	1,450	1,525	1,525
6613	GENERAL OFFICE SUPPLIES	86	180	200	200	200	280	280
6617	VEHICLE MAINTENANCE SUPPLIES	1,595	1,154	1,000	1,000	1,000	1,000	1,000
	TOTAL COMMODITIES	12,191	11,948	14,900	16,961	15,775	16,330	16,855
	<b>TRANSFERS OUT</b>							
7010	TRANSFER TO EQUIPMENT REPLACEMENT	5,786	5,786	5,786	5,786	5,786	5,786	5,786
	TOTAL TRANSFERS OUT	5,786	5,786	5,786	5,786	5,786	5,786	5,786
	<b>TOTAL BUILDING MAINTENANCE EXPENDITURES</b>	\$ 114,779	\$ 126,227	\$ 133,302	\$ 138,082	\$ 149,490	\$ 167,863	\$ 177,519

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 55  
 COMMUNITY DEVELOPMENT EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-55-0000	<b>COMMUNITY DEVELOPMENT</b>							
	<b>PERSONAL SERVICES</b>							
6101	SALARIES - FULL-TIME	\$ 231,783	\$ 243,462	\$ 258,908	\$ 255,317	\$ 270,171	\$ 283,680	\$ 300,701
6102	SALARIES - OVERTIME	-	313	221	500	230	242	257
6104	SALARIES - PART-TIME	4,300	5,301	5,073	5,073	5,073	10,653	11,292
6201	MEDICAL/DENTAL INSURANCE	25,362	38,645	43,937	41,754	48,172	50,581	53,616
6202	GROUP LIFE INSURANCE	392	384	384	384	408	428	454
6204	UNEMPLOYMENT COMPENSATION	-	-	264	-	275	289	306
6205	SOC SEC CONTRIBUTIONS	17,751	18,214	20,211	18,840	21,074	22,128	23,456
6206	IMRF CONTRIBUTIONS	22,356	22,197	22,855	23,228	26,067	27,370	29,012
6208	TRAINING & MEMBERSHIPS	3,557	928	2,275	2,275	4,075	6,850	7,150
6209	UNIFORM ALLOWANCE	87	-	200	200	300	300	600
6507	MILEAGE REIMBURSEMENT	5	17	25	25	25	25	100
	TOTAL PERSONAL SERVICES	305,593	329,461	354,353	347,596	375,870	402,546	426,944
	<b>CONTRACTUAL SERVICES</b>							
6301	LEGAL SERVICES	41,734	43,961	52,000	64,839	66,000	79,200	86,400
6303	ENGINEERING SERVICES	86,852	81,985	99,600	94,226	105,530	144,100	199,150
6306	MEDICAL SERVICES	63	108	117	117	117	117	467
6307	IS SERVICES	350	350	350	350	350	350	350
6309	OTHER PROFESSIONAL SERVICES	15,876	17,818	17,800	22,800	63,025	18,475	101,750
6402	RENTAL	1,944	2,451	2,571	2,571	2,571	2,571	2,571
6403	REPAIR & MAINT. SERV-EQUIPMENT	685	645	750	750	750	750	750
6407	REPAIR & MAINT SERVICES - VEHICLES	353	915	1,500	1,500	1,500	1,500	1,500
6502	TELECOMMUNICATIONS	1,541	2,367	2,323	2,658	3,087	3,133	3,679
6503	PUBLISHING	1,399	307	1,100	1,100	1,100	1,300	1,500
6504	PRINTING	660	680	1,200	1,200	1,200	1,500	1,500
6508	RECEPTIONS & ENTERTAINMENT	190	247	300	308	300	550	550
6509	RECRUITMENT	-	-	-	-	-	-	500
	TOTAL CONTRACTUAL SERVICES	151,647	151,834	179,611	192,419	245,530	253,546	400,667
	<b>COMMODITIES</b>							
6500	GENERAL EQUIPMENT	-	-	400	400	400	400	650
6501	POSTAGE & DELIVERY	494	281	500	500	500	500	1,000
6601	FUELS & LUBRICANTS	1,624	1,821	2,070	1,800	2,250	2,250	3,000
6603	SPECIALIZED SUPPLIES/TOOLS	12	28	100	100	100	100	500
6604	SAFETY SUPPLIES	-	-	-	-	100	-	100
6608	BOOKS & PUBLICATIONS	15	503	600	600	400	400	1,700
6613	GENERAL OFFICE SUPPLIES	640	1,264	1,000	800	1,000	1,000	1,000
	TOTAL COMMODITIES	2,785	3,897	4,670	4,200	4,750	4,650	7,950
	<b>TRANSFERS OUT</b>							
7010	TRANSFER TO EQUIPMENT REPLACEMENT	5,688	5,688	5,688	5,688	5,688	5,688	10,400
	TOTAL TRANSFERS OUT	5,688	5,688	5,688	5,688	5,688	5,688	10,400
	<b>TOTAL COMMUNITY DEVELOPMENT EXPENDITURES</b>	<b>\$ 465,713</b>	<b>\$ 490,880</b>	<b>\$ 544,322</b>	<b>\$ 549,903</b>	<b>\$ 631,838</b>	<b>\$ 666,430</b>	<b>\$ 845,961</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 56  
 FINANCE EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-56-0000	<b>FINANCE</b>							
	<b>PERSONAL SERVICES</b>							
6101	SALARIES - FULL-TIME	\$ 76,208	\$ 80,296	\$ 85,415	\$ 84,231	\$ 89,599	\$ 94,079	\$ 99,724
6102	SALARIES - OVERTIME	10	-	55	-	57	60	64
6201	MEDICAL/DENTAL INSURANCE	21,129	21,099	21,204	21,025	23,999	25,199	26,711
6202	GROUP LIFE INSURANCE	123	120	120	120	128	134	142
6204	UNEMPLOYMENT COMPENSATION	-	-	85	-	90	95	101
6205	SOC SEC CONTRIBUTIONS	5,296	5,721	6,538	5,974	6,859	7,202	7,634
6206	IMRF CONTRIBUTIONS	7,263	7,290	7,539	7,646	8,643	9,075	9,620
6208	TRAINING & MEMBERSHIPS	1,968	1,938	1,782	1,920	2,785	2,287	2,590
6209	UNIFORM ALLOWANCE	-	-	-	-	100	100	200
6507	MILEAGE REIMBURSEMENT	27	18	25	36	25	25	250
	TOTAL PERSONAL SERVICES	112,024	116,482	122,763	120,952	132,285	138,256	147,036
	<b>CONTRACTUAL SERVICES</b>							
6301	LEGAL SERVICES	-	-	-	-	-	-	-
6302	AUDIT SERVICES	10,796	11,261	10,600	10,617	10,850	11,100	11,350
6306	MEDICAL SERVICES	51	83	88	88	178	178	178
6307	I. S. SERVICES	4,567	4,866	5,182	5,137	5,471	5,827	6,206
6309	OTHER PROFESSIONAL SERVICES	15,774	3,299	3,777	2,187	5,502	4,002	4,002
6402	RENTAL	17	19	19	19	19	19	19
6403	REPAIR & MAINT. SERV-EQUIPMENT	208	229	250	268	250	250	250
6502	TELECOMMUNICATIONS	1,079	1,530	1,558	1,598	1,724	1,364	1,392
6503	PUBLISHING	710	633	617	382	382	382	382
6504	PRINTING	506	607	590	773	772	772	772
6508	RECEPTIONS & ENTERTAINMENT	-	-	-	-	-	-	-
6509	RECRUITMENT	-	-	-	-	-	-	-
	TOTAL CONTRACTUAL SERVICES	33,708	22,527	22,681	21,069	25,148	23,894	24,551
	<b>COMMODITIES</b>							
6501	POSTAGE & DELIVERY	806	744	800	800	800	800	800
6601	FUELS & LUBRICANTS	156	108	200	150	200	200	-
6603	SPECIALIZED SUPPLIES	103	-	200	100	100	100	100
6608	BOOKS & PUBLICATIONS	203	212	212	302	222	272	322
6613	GENERAL OFFICE SUPPLIES	628	826	700	600	700	700	1,050
	TOTAL COMMODITIES	1,896	1,890	2,112	1,952	2,022	2,072	2,272
	<b>TOTAL FINANCE EXPENDITURES</b>	<b>\$ 147,628</b>	<b>\$ 140,899</b>	<b>\$ 147,556</b>	<b>\$ 143,973</b>	<b>\$ 159,455</b>	<b>\$ 164,222</b>	<b>\$ 173,859</b>

VILLAGE OF SUGAR GROVE  
 FY 2013-2014 BUDGET  
 FUND 01  
 GENERAL FUND  
 DEPARTMENT 57  
 BOARD AND COMMISSIONS EXPENDITURES

3/1/2013

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 11 ACTUAL	FYE 12 ACTUAL	FYE 13 APPROVED BUDGET	FYE 13 EST. ACTUAL	FYE 14 PROP. BUDGET	FYE 15 PROJ. BUDGET	FYE 16 PROJ. BUDGET
01-57-0000	<b>BOARD &amp; COMMISSIONS</b>							
	<b>PERSONAL SERVICES</b>							
6104	SALARIES - PART-TIME	\$ 42,053	\$ 42,177	\$ 43,080	\$ 42,776	\$ 44,064	\$ 45,386	\$ 46,748
6205	SOC SEC CONTRIBUTIONS	3,185	3,194	3,296	3,240	3,371	3,472	3,576
6206	IMRF CONTRIBUTIONS	475	481	441	454	482	496	511
6208	TRAINING & MEMBERSHIPS	4,462	9,533	8,368	7,368	9,975	11,925	11,925
6209	UNIFORM ALLOWANCE	-	-	-	85	800	800	800
6507	MILEAGE REIMBURSEMENT	15	-	120	15	120	120	120
	TOTAL PERSONAL SERVICES	50,190	55,385	55,305	53,938	58,812	62,199	63,680
	<b>CONTRACTUAL SERVICES</b>							
6301	LEGAL SERVICES	-	3,893	-	-	-	-	-
6306	MEDICAL SERVICES	-	-	-	-	-	-	-
6307	I.S. SERVICES	1,566	1,577	1,400	6,566	4,566	4,566	4,566
6309	OTHER PROFESSIONAL SERVICES	2,876	3,233	3,500	3,500	3,725	7,225	7,225
6403	REPAIR & MAINT. SERV-EQUIPMENT	1,534	2,468	1,600	1,400	1,600	1,600	1,600
6502	TELECOMMUNICATIONS	92	462	900	867	900	900	900
6503	PUBLISHING	111	192	125	132	140	140	140
6504	PRINTING	113	9	100	25	250	600	750
6508	RECEPTIONS & ENTERTAINMENT	636	438	500	404	1,100	1,100	3,100
6515	PUBLIC RELATIONS	3,528	12,631	4,955	4,955	5,855	6,155	5,855
6516	EMPLOYEE ACTIVITIES	-	130	150	150	350	350	500
6517	PLAN COMMISSION	-	114	1,200	175	2,500	2,750	2,750
6518	POLICE COMMISSION	1,334	92	8,450	250	740	10,580	740
9004	CONTINGENCY	-	-	-	-	-	-	-
	TOTAL CONTRACTUAL SERVICES	11,790	25,239	22,880	18,424	21,726	35,966	28,126
	<b>COMMODITIES</b>							
6501	POSTAGE & DELIVERY	121	47	250	96	150	150	150
6608	BOOKS & PUBLICATIONS	19	-	-	-	-	100	100
6613	GENERAL OFFICE SUPPLIES	701	495	750	600	750	750	750
	TOTAL COMMODITIES	841	542	1,000	696	900	1,000	1,000
	<b>TOTAL BOARD AND COMMISSIONS EXPENDITURES</b>	<b>\$ 62,821</b>	<b>\$ 81,166</b>	<b>\$ 79,185</b>	<b>\$ 73,058</b>	<b>\$ 81,438</b>	<b>\$ 99,165</b>	<b>\$ 92,806</b>

**FY 13-14 BUDGET  
PERSONNEL REQUEST**

Department: **Police**  
Fund: **General**  
Administrator Priority Ranking: **Included**

**Police Part-time Administrative Officer**

The administrative officer position is necessary due to the volume of reporting and legal requirements of the police department. This part-time sworn position reports directly to the Chief of Police. This is a technical, non-supervisory, position. The amount budgeted represents a 24 hour work week at \$25.00 per hour. No additional benefits are provided for this position. Although designed primarily for administrative work, since it is a sworn position there is flexibility of this position working patrol. It is recommended this be a sworn position as opposed to a civilian due to considerations related to pension costs. A part-time sworn police officer can work up to 30 hours per week without pension considerations. However, an IMRF position is required to work less than an average of 20 hours per week or it becomes pensionable.

By utilizing this part-time position for administrative duties, the department's sergeants have more time to spend on the street directly supervising officers and conducting enforcement efforts themselves. Therefore, our highly paid sworn supervisory staff can more effectively balance their time between the street and administrative duties.

Account #	Account Name	Description of Cost	Amount
01-51-6104	Salaries - Part-Time		\$ 31,200
01-51-6102	Salaries - Overtime		
01-51-6201	Medical/Dental Insurance		
01-51-6202	Group Life Insurance		
01-51-6204	Unemployment Comp		\$ 31
01-51-6205	Social Security Contrib		\$ 2,387
01-51-6208	Training & Membership		
01-51-6209	Uniform Allowance		\$ 75
01-51-6306	Medical Services		\$ 400

FY 13-14 Total Cost **\$ 34,093**  
 FY 14-15 Total Cost **\$ 35,798**  
 FY 15-16 Total Cost **\$ 37,588**  
 FY 16-17 Total Cost **\$ 39,467**  
 FY 17-18 Total Cost **\$ 41,440**

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Public Works - Building Maintenance**  
Fund: **General/Waterworks and Sewerage**

Administrator Priority Ranking: **Included**

**Contractual Custodial Services**

The increased mowing responsibilities (Municipal Drive, Galena Boulevard, Airport House Property, Route 47 islands), the battle with Emerald Ash Borer (an average of 101 tree removals annually) and the loss of a full time employee has made it challenging to complete routine custodial services at Village facilities. Custodial services are completed once a week and often with less detail than needed due the demands in other areas of service. In addition, the elimination of the previous P/T Custodial position, has resulted in higher skilled, and higher paid, PW Laborers, performing custodial duties. Public Works is requesting to contract out custodial services. Entering into a contract with a cleaning company will help restore the level of custodial services and free up a Public Works employee to concentrate on field work. The details of the bid specifications are not defined as yet, but would include routine cleaning services at the Village Hall, the Police Station and the Public Works Facility on a weekly basis.

Account #	Account Name	Description of Cost	Amount
01 54 6406	Repair & Maint. Srvs - Buildings	Custodial Services - VH	\$ 5,000
01 54 6406	Repair & Maint. Srvs - Buildings	Custodial Services - PW 50%	\$ 2,500
50 59 6406	Repair & Maint. Srvs - Buildings	Custodial Services - PW 50%	\$ 2,500

FY 13-14 Total Cost \$ **10,000**  
 FY 14-15 Total Cost \$ **10,000**  
 FY 15-16 Total Cost \$ **10,000**  
 FY 16-17 Total Cost \$ **10,000**  
 FY 17-18 Total Cost \$ **10,000**

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Finance**  
 Fund: **General/Waterworks and Sewerage**  
 Administrator Priority Ranking: **Included**

**Wellness Incentive Program**

Health and wellness programs provide an opportunity for individuals along the entire spectrum of physical and emotional health to learn personalized ways to live long, productive lives. However, the trends are indicative of the fact that the general population is not making the necessary changes on its own.

The use of incentives to drive participation in health and wellness programs has shown to help more people become active along the path toward better health and wellbeing. A variety of incentive or disincentive strategies are employed in motivating individuals to participate in health and wellness programs.

Incentives are used to reward individuals for taking certain actions or for achieving desired results. Research has shown that financially based programs have the greatest participation and impact. These incentives may be provided for enrolling in a program, for ongoing participation, for behavior change, for making measurable improvements to their health, or for sustaining good health.

Improvements in employee, and dependant, health and wellness have a long-term positive impact on the employer as they result in less absenteeism, greater productivity, and lower insurance costs. The proposed program details have not been finalized, but based on information from entities such as Cadence Health and Kane County; the initial program will likely include items such as annual physicals, health risk assessments, and blood pressure screenings. The proposed budget, based on similar successful programs from other entities, is about \$350 per employee.

Account #	Account Name	Description of Cost	Amount
XX-XX-6201	Medical/Dental Insurance	Wellness Incentive Program	\$ 10,500

FY 13-14 Total Cost	\$ 10,500
FY 14-15 Total Cost	\$ 10,500
FY 15-16 Total Cost	\$ 10,500
FY 16-17 Total Cost	\$ 10,500
FY 17-18 Total Cost	\$ 10,500

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Administration**

Fund: **General**

Administrator Priority Ranking: **1**

**Village Economic Development Infrastructure**

The Village of Sugar Grove approved and entered into a Sales Tax Rebate Agreement with Jewel/Osco on October 5, 2004 . Since the store opened in April 2006 it has created job opportunities in the Village, served to further development of adjacent areas and throughout the Village, strengthened the commercial base in the Village, and enhanced the overall tax base of the Village.

The expiration of the agreement on March 31, 2013 will allow the Village to retain approximately \$115,000 per year of additional sales tax. Staff is proposing these funds be invested in other economic development activities, but more specifically lasting physical improvements. The first proposed use is to pay the balance for the strip of land sold to Walgreen's, which is approximately \$8,200. Other proposed projects have not been finalized, but include items such as fiber to commercial and industrial areas of the community and the potential for a business incubator.

Large projects could be paid for over a number of years or money could be accumulated to fund them. The goal of this program is to set aside the money for physical projects that result in a long-term measurable return on investment, rather than spend the funds on operational or soft costs.

Account #	Account Name	Description of Cost	Amount
01-50-6309	Other professional services	Village Economic Development Infrastructure	\$ 115,000

FY 13-14 Total Cost **\$ 115,000**  
 FY 14-15 Total Cost **\$ 115,000**  
 FY 15-16 Total Cost **\$ 115,000**  
 FY 16-17 Total Cost **\$ 115,000**  
 FY 17-18 Total Cost **\$ 115,000**

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Public Works - Streets**  
 Fund: **General**  
 Administrator Priority Ranking: **2**

**Parkway Tree Replacement Program**

Since Emerald Ash Borer (EAB) was discovered in the Village in 2007, over 407 ash trees have been removed due to infestation. To date, only about 88 have been replaced. A key step in the Village's EAB Response Plan is a Reforestation Program. The Public Works Department is requesting additional funding for parkway trees so that those areas of the Village hardest hit by EAB can be reforested. Parkway trees are a significant and highly visual portion of the Village's infrastructure. They provide ecological (improving air quality and filtering storm water) as well as aesthetic benefits for our residents. Considering the Village's parkway trees are over 25% ash and EAB can last upwards of 10 years, establishing a reforestation plan is recommended.

Account #	Account Name	Description of Cost	Amount
01 53 6606	Landscaping Supplies	Parkway Tree Replacement Program	\$ 10,000

FY 13-14 Total Cost	\$ 10,000
FY 14-15 Total Cost	\$ 10,000
FY 15-16 Total Cost	\$ 10,000
FY 16-17 Total Cost	\$ -
FY 17-18 Total Cost	\$ -

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Public Works - Streets**

Fund: **General**

Administrator Priority Ranking: **3**

**Restoration of the Sidewalk Replacement Program**

Over the past 3 years, the Public Works Department has been conducting annual sidewalk inspections based on geographic locations. It has been determined that the condition of our sidewalks are deteriorating. In the past, the Village has offered a 50/50 Program for replacement, but participation by our residents was limited at best. The Public Works Department is requesting additional funding for the Sidewalk Replacement Program so that the necessary repairs can be started. This program will be utilized in conjunction with the Sidewalk Inspection Program to reduce liability and increase the over all condition of the Village's pedestrian pathway system, including ADA accessibility. Repairs will be completed annually and be based on criteria such as liability exposure, condition rating and location. Much like bike paths, the condition and usability of the Village's sidewalks is essential to connectivity and quality of life for our residents.

Account #	Account Name	Description of Cost	Amount
01 53 6405	Repair & Maint.Services - ROW	Sidewalk Repair Program	\$ 10,000

FY 13-14 Total Cost \$ 10,000  
 FY 14-15 Total Cost \$ 10,000  
 FY 15-16 Total Cost \$ 10,000

**FY 13-14 BUDGET  
PROGRAM / PROJECT REQUEST**

Department: **Police**  
Fund: **General**  
Administrator Priority Ranking: **4**

**Handgun standardization**

The Department proposes to standardize our handguns by issuing department owned handguns to all full time sworn officers.

At this time, officers are required to provide their own handguns and have a choice within guidelines. Due to the current procedures, we have several different makes and calibers of weapons. This causes difficulties in training as well as purchasing the practice and duty ammo. There are additional safety concerns. For example, if our officers were to be engaged in a firefight, the weapons and ammunition are not interchangeable. The current weapons carried by officers are all checked annually and are safe and in good working condition. However, by standardizing we can insure that this is always the case.

The Department proposes purchasing 13 handguns with corresponding holsters. There are 12 authorized sworn positions in the fiscal year 2013 - 2014 budget. It is proposed to buy one extra weapon. This would be held securely in the department armory. It would serve as a backup in case a weapon malfunctioned, etc. The price of a Glock 40 caliber model 23 is on state bid for \$409.00. This comes with three magazines and a cleaning kit. A holster is approximately \$150.00 and a magazine pouch for \$30.00. This is a total of \$589.00 for each officer. The Glock 40 caliber is a very common weapon utilized by police agencies throughout the country. There are other models to consider which are similarly priced.

<i>Account #</i>	<i>Account Name</i>	<i>Description of Cost</i>	<i>Amount</i>
		Standardized handgun and holster - FT sworn	\$ 7,657

FY 13-14 Total Cost	\$	<b>7,657</b>
FY 14-15 Total Cost	\$	-
FY 15-16 Total Cost	\$	-
FY 16-17 Total Cost	\$	-
FY 17-18 Total Cost	\$	-

*Proclamation of the  
Village of Sugar Grove*

*In Recognition Of David Chandler Barnhart*

*Whereas, Boys Scouts of America, is a vital force in the development of our youth through its many program which encourage the ability of its members to do things for themselves and others; and*

*Whereas, one of the major objectives in the Scouting program is to develop citizenship through community involvement, and in addition to working for citizenship merit badges, Scouts are encouraged to participate in community service projects; and*

*Whereas David Chandler Barnhart is a member of Troop 41 and has proven himself to be an outstanding member of the Boys Scouts of America; and*

*Whereas David, desired to earn the distinction of earning his Eagle Scout Award; and*

*Whereas this desire to attain the status of Eagle Scout, led David to assist the Sugar Grove Township and Conley Outreach in making improvements at the Community Building and in the build-out of the Kaneland Area Clothing Closet; and*

*Whereas this commitment gave David the opportunity to use the leadership skills that scouting teaches to improve and enhance the Sugar Grove Community Building.*

*Now, therefore, I Sean Michels, President of the Village of Sugar Grove, on behalf of myself and the Board of Trustee, do hereby recognize the outstanding efforts of David and wish him the best in the future as he continues his community commitment as he fulfils his lifelong dream of serving his country.*

*Dated this 5th day of March 2013.*

*P. Sean Michels, Village President*

*Robert Bohler, Trustee*

*Kevin Geary, Trustee*

*Mari Johnson, Trustee*

*Rick Montalto, Trustee*

*David Paluch, Trustee*

*Thomas Renk, Trustee*

*Attest: Cynthia L. Galbreath, Village Clerk*

*Proclamation of the  
Village of Sugar Grove*

*In Recognition Of David Chandler Barnhart*

*Whereas, Boys Scouts of America, is a vital force in the development of our youth through its many program which encourage the ability of its members to do things for themselves and others; and*

*Whereas, one of the major objectives in the Scouting program is to develop citizenship through community involvement, and in addition to working for citizenship merit badges, Scouts are encouraged to participate in community service projects; and*

*Whereas David Chandler Barnhart is a member of Troop 41 and has proven himself to be an outstanding member of the Boys Scouts of America; and*

*Whereas David, desired to earn the distinction of earning his Eagle Scout Award; and*

*Whereas this desire to attain the status of Eagle Scout, led David to assist the Sugar Grove Township and Conley Outreach in making improvements at the Community Building and in the build-out of the Kaneland Area Clothing Closet; and*

*Whereas this commitment gave David the opportunity to use the leadership skills that scouting teaches to improve and enhance the Sugar Grove Community Building.*

*Now, therefore, I Sean Michels, President of the Village of Sugar Grove, on behalf of myself and the Board of Trustee, do hereby recognize the outstanding efforts of David and wish him the best in the future as he continues his community commitment as he fulfils his lifelong dream of serving his country.*

*Dated this 5th day of March 2013.*

*P. Sean Michels, Village President*

*Robert Bohler, Trustee*

*Kevin Geary, Trustee*

*Mari Johnson, Trustee*

*Rick Montalto, Trustee*

*David Paluch, Trustee*

*Thomas Renk, Trustee*

*Attest: Cynthia L. Galbreath, Village Clerk*

**AGREEMENT BETWEEN  
FOX METRO WATER RECLAMATION DISTRICT  
AND THE VILLAGE OF SUGAR GROVE  
FOR THE INVESTIGATION AND REPAIR OF  
SANITARY SEWERS  
AT VARIOUS LOCATIONS  
SUGAR GROVE, IL**

THIS AGREEMENT entered into this \_\_\_\_ day of \_\_\_\_\_, 2013 by and between the FOX METRO WATER RECLAMATION DISTRICT, a unit of local government (hereinafter referred to as “DISTRICT”), and the VILLAGE OF SUGAR GROVE, a municipal corporation (hereinafter referred to as “VILLAGE”);

**WITNESSETH**

WHEREAS, Article VII, Section 10 of the Illinois Constitution of 1970 provides that units of local government may contract or otherwise associate among themselves to obtain or share services and to exercise, combine, or transfer any power or function in any manner not prohibited by law or by ordinance and may use their credit, revenues, and other resources to pay costs related to intergovernmental activities; and

WHEREAS, the Illinois Intergovernmental Cooperation Act, 5 ILCS 220/1 et seq. further authorizes intergovernmental cooperation; and

WHEREAS, there is a mutual benefit of combining resources for the purpose of reducing costs to investigate and repair sanitary sewers of the VILLAGE and DISTRICT;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND OTHER MUTUAL COVENANTS HEREINAFTER CONTAINED, THE PARTIES HERETO AGREE TO THE FOLLOWING:

- 1.0 The VILLAGE and the DISTRICT agree to perform jointly the investigation and repair of the sanitary sewer systems as follows:
  - 1.1 Investigate the sewer system by performing flow monitoring and smoke testing, reviewing sewer television tapes; inspecting manholes, entering buildings for sump pump surveys; mapping sewer pipes and structures utilizing GPS/GIS and other investigative tasks not listed herein.
  - 1.2 Report the result of the investigation in writing by identifying the type and size of defects, the amount of infiltration & inflow entering the sewer system, the recommended solutions to correct the defects, and an estimated cost to rehabilitate the system. The estimated costs shall be separated and totaled based on the ownership of the sewer system.

- 1.3 Share the cost of performing the investigation and reporting the results in items 1.1 and 1.2 by using the actual footage of sewers owned and operated by each government entity and/or by utilizing the number of dwellings investigated in each government territory. For example, the cost of televising 10,000 linear feet of sewer in the VILLAGE and 5000 linear feet in the DISTRICT shall be divided 67% VILLAGE and 33% DISTRICT and the cost of surveying 50 buildings in the VILLAGE limits and 10 buildings outside VILLAGE limits shall be divided 83% VILLAGE and 17% DISTRICT.
- 1.4 The VILLAGE may utilize the DISTRICT's Sewer Maintenance Contract, or other contracts that the DISTRICT may enter into, for cleaning, televising, and repairs to the VILLAGE's sewer system. The VILLAGE shall reimburse the DISTRICT in full for all costs associated with cleaning, televising and repairs performed on the VILLAGE's sewer system.
- 2.0 The DISTRICT and the VILLAGE may jointly design, bid and construct sewer and manhole rehabilitation projects for the purpose of reducing costs on larger bid quantities.
- 3.0 This Agreement shall be valid for a period of 5 years and can be extended by mutual consent of the VILLAGE and the DISTRICT.
- 4.0 The DISTRICT shall invoice the VILLAGE on a monthly basis the VILLAGE's costs and expenses associated with this Agreement.
- 5.0 Notices: Unless otherwise notified in writing, all notices, requests and demands shall be in writing and shall be personally delivered to or mailed by United States Certified Mail, postage prepaid and return receipt requested, as follows:

For the Village of Sugar Grove:

Village of Sugar Grove  
10 S. Municipal Drive  
Sugar Grove, IL 60554  
Attn: P. Sean Michels, President

With a copy to:

Steven A. Andersson  
Attorney for the Village of Sugar Grove  
Mickey, Wilson, Weiler, Renzi & Andersson, P.C.  
2111 Plum Street, Suite 201  
Aurora, IL 60506

For Fox Metro Water Reclamation District:

Fox Metro Water Reclamation District  
682 State Route 31  
Oswego, IL 60543  
Attn: James Detzler, President

With a copy to:

Dallas Ingemunson  
Attorney for Fox Metro Water Reclamation District  
226 South Bridge Street  
Yorkville, IL 60560

or such addresses that any party hereto may designate in writing to the other parties pursuant to the provisions of this paragraph.

6.0 Miscellaneous:

- A. Failure of any party to this Agreement to insist upon the strict and prompt performance of the terms, covenants, agreements and conditions herein contained, or any of them, upon any other party imposed, shall not constitute or be construed as a waiver or relinquishment of any party's right thereafter to enforce any such term, covenants, agreement or condition, but the same shall continue in full force and effect.
- B. Where VILLAGE approval or direction is required by this Agreement, such approval or direction means the approval or direction of the Corporate Authorities of the respective parties unless otherwise expressly provided or required by law, and any such approval may be required to be given only after and if all requirements for granting such approval have been met, unless such requirements are inconsistent with this Agreement.
- C. Wherever appropriate in this Agreement, the singular shall include the plural, and the plural shall include the singular.
- D. The Village President and District President and Village Clerk and District Secretary of the respective parties hereby warrant that they have been lawfully authorized by the governing boards of the respective parties to execute this Agreement. The parties shall, upon request, deliver to each other at the respective time copies of all resolutions, ordinances or other documents required to legally evidence the authority to so execute this Agreement on behalf of the respective parties.

- E. This Agreement sets forth all the promises, inducements, agreements, conditions or understanding between the parties hereto relative to the subject matter thereof, and there are no promises, agreements, conditions or understandings, either oral or written, express or implied, between them, other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the parties hereto unless authorized in accordance with law, reduced in writing and signed by them.
- F. This Agreement may be executed in two (2) or more counterparts, each of which, taken together, shall constitute one and the same instrument.
- G. In the event of any default under or violation of this Agreement, the party not in default or violation shall serve written notice upon the party in default or violation, which notice shall be in writing and shall specify the particular violation or default. The parties reserve the right to cure any violation of this Agreement or default hereunder within sixty (60) days following written notice of such default unless such default is a monetary default in which event such monetary default must be cured within thirty (30) days. If such default is so cured within said applicable cure period, all terms and conditions of this Agreement shall remain in full force and effect. If the party in default cannot cure a non-monetary default or violation hereof within said sixty (60) day period, then the other party shall grant a reasonable extension of the cure period, said extension not to exceed sixty (60) days, provided that the party in default or violation is diligently pursuing completion and/or cure and tenders proof of such diligence to the non-defaulting party upon request. The non-defaulting party may, at its sole discretion, grant such additional extensions beyond the aforementioned sixty (60) day extension period as may, in the sole discretion of the non-defaulting party, be reasonably necessary to cure said default.
- H. If any provision of this Agreement is held invalid by a court of competent jurisdiction, or in the event such a court shall determine that either party does not have the power to perform any such provision the entire Agreement shall be null and void.
- I. The VILLAGE and the DISTRICT agree that neither shall bring any suit or any other legal proceeding of any nature whatsoever to contest the validity of this Agreement or any portion thereof. In the event any third party challenges the validity of this Agreement, the VILLAGE will defend any such lawsuit and the parties will share equally in cost thereof.

IN WITNESS WHEREOF, the parties hereto have had their duly authorized officers execute this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Village of Sugar Grove  
An Illinois Municipal Corporation

ATTEST:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Village Clerk

Fox Metro Water Reclamation District,  
A duly organized Illinois Sanitary District

ATTEST:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary



STATE OF ILLINOIS    )  
                                  )SS  
COUNTY OF KENDALL)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of Fox Metro Water Reclamation District, and \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of said Illinois sanitary district, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such \_\_\_\_\_ and \_\_\_\_\_, they signed and delivered the said instrument and caused the corporate seal of said Illinois sanitary district to be affixed thereto, pursuant to authority given by the \_\_\_\_\_ of said Illinois sanitary district, as their free and voluntary act, and as the free and voluntary act and deed of said Illinois sanitary district, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

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**VILLAGE OF SUGAR GROVE  
BOARD REPORT**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** ANTHONY SPECIALE, DIRECTOR OF PUBLIC WORKS  
BRAD MERKEL, UTILITIES SUPERVISOR  
**SUBJECT:** DISCUSSION: AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT  
WITH FOX METRO WATER RECLAMATION DISTRICT  
**AGENDA:** MARCH 5, 2013 COMMITTEE OF THE WHOLE MEETING  
**DATE:** MARCH 1, 2013

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**ISSUE**

Should the Village Board enter into an Intergovernmental Agreement with Fox Metro Water Reclamation District.

**DISCUSSION**

Fox Metro Water Reclamation District contacted the Village to discuss the possibility of entering into an Intergovernmental Agreement to combine resources and reduce costs to investigate and repair sanitary sewers throughout the Village. An IGA would allow the Village to jointly perform investigative services through Fox Metro's contracts. It will also allow the Village to utilize Fox Metro's Sewer Maintenance Contracts for cleaning, televising and repairs to the Village's Sanitary Sewer System.

Staff believes approving this IGA will facilitate a more productive approach to sewer maintenance. Attorney Steve Andersson reviewed the Intergovernmental Agreement and believes that entering into an agreement with Fox Metro would prove to be beneficial for the Village of Sugar Grove. The cost savings would be beneficial to the community.

The Intergovernmental Agreement with Fox Metro Water Reclamation District is attached for your review.

**COST**

There is no cost associated with approving the agreement.

**RECOMMENDATION**

The Village Board reviews the Intergovernmental Agreement with Fox Metro Water Reclamation District to be approved at the March 19, 2013 Village Board Meeting.

**Sugar Grove Senior Living**

**Village Board of Sugar Grove  
Committee of the Whole Meeting  
March 5, 2013**

**Holly Fraccaro  
David Burg  
Kirk Albinson**

**North West Housing Partnership  
PIRHL Developers, LLC  
Cordogan Clark & Associates**



**CORDOGAN, CLARK & ASSOCIATES**  
: ARCHITECTS : ENGINEERS :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



## North West Housing Partnership

- Founded in 1990 as an affordable housing advocate and leader in developing & sustaining affordable housing
- Developed over 400 units of affordable housing and has rehabbed over 350 units of owner occupied single family homes throughout the North and West Suburbs of Chicago.
- Programs:
  - Single Family Rehabilitation & Home Repair
    - City of Des Plaines
    - Village of Hoffman Estates
    - Village of Schaumburg
  - Foreclosure Acquisition, Rehabilitation & Resale
  - First-time Homebuyer Workshops
  - Anti-Predatory Lending Education



C O R D O G A N , C L A R K & A S S O C I A T E S  
: A R C H I T E C T S : E N G I N E E R S :  
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# A NWHP Development

## Landmeier Station

80 Unit LIHTC (Completed 1997)

Type: Senior Housing

Total Development Cost: \$5,635,500

Architect: HKM Architects & Planners

Landmeier Station, located in Elk Grove Village, Illinois was the North West Housing Partnership's first solo development, completed in 1997. This 80-unit independent senior living development is financed primarily through Low Income Housing Tax Credits through the Illinois Housing Development Authority, Cook County HOME Funds and Community Investment Corporation Financing.

Elk Grove Village community leaders saw a need for additional affordable housing and asked NWHP to partner on this project. Residents are offered a variety of supportive services including scheduled activities, on-site beauty and barber-ship, a medical exam area to accommodate visiting medical professionals and transportation to local shopping.



CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS : ENGINEERS :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



## PIRHL Developers

- Founded in 2004 as residential owner, developer and general contractor
- Multifamily and Single Family Development Locations in Midwest and Mid-Atlantic
- PIRHL's Development Pipeline = 27 Properties and 1,200 units
- Recognition in the Industry
  - Achieved Status as Tier 1 Developer by Ohio Housing Finance Agency
  - NAIOP "2012 Multifamily Development of the Year" for Library Court Apts.
  - 1st Place, Home Builders Assn of Greater Cleveland Choice Awards
  - "Best Urban/Infill Development" for Library Court Apartments
  - OCCH (Ohio Capital Corporation for Housing) - 2009 & 2011 Awards of Excellence in Affordable Senior Housing



CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS : ENGINEERS :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



# A PIRHL Development

## Library Court

44 Unit LIHTC (Completed 2011)

Type: Senior Housing

Total Development Cost: \$7,115,553

Architect: RDL Architects

Library Court Apartments is a 44 unit apartment building that serves seniors aged fifty-five and older earning at or below 60% of the Area Median Household Income. Library Court is financed primarily through LIHTC, County HOME funds, and resources from the American Recovery and Reinvestment Act.

Set on a major urban thoroughfare, this transit oriented development enjoys high visibility and provides immediate walking access to a broad array of amenities that seniors need for daily living. These include: restaurants, a premium grocery store, retail stores, pharmacies, an adjacent library and multiple bus lines and light rail.

Library Court consists of 12 one-bedroom apartments and 32 two-bedroom apartments ranging from 660 square feet to 860 square feet respectively. With over 2,000 square feet of dedicated common space, the building includes a large community room, a business center with computers and free Internet access, and an exercise facility. The building meets the Enterprise Foundation's Green Communities standards and includes energy star rated appliances, light fixtures, and windows, along with low-flow faucets in all kitchens and baths.



CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS : ENGINEERS :  
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# Sugar Grove Senior Living

## Development Overview

- Responding to market need for independent seniors 55+ on fixed income
- Mixed Income Community
  - ~10% market rate apartments with no income restrictions
  - ~90% affordable apartment to fixed-income seniors
- 66 Unit, 3-story elevator building with significant community spaces
- (52) 650' 1-Bedroom and (14) 900' 2-Bedroom Apartments
- HC Accessible Units; Building is Visitable, digitally accessible, Green



C O R D O G A N , C L A R K & A S S O C I A T E S  
: A R C H I T E C T S : E N G I N E E R S :  
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# Sugar Grove Senior Living

## Development Amenities

- Community room equipped with kitchenette
- Computers workstations, printers and Internet
- Lounge and lending library
- Community laundry facilities
- Wellness Center with fitness equipment
- On-site management, maintenance and activity-coordination offices
- Pursuing permanent para-transit van for seniors



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# Sugar Grove Senior Living

## Rendering of Front Elevation



CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS ; ENGINEERS : :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



# Sugar Grove Senior Living

## Proposed Site Plan

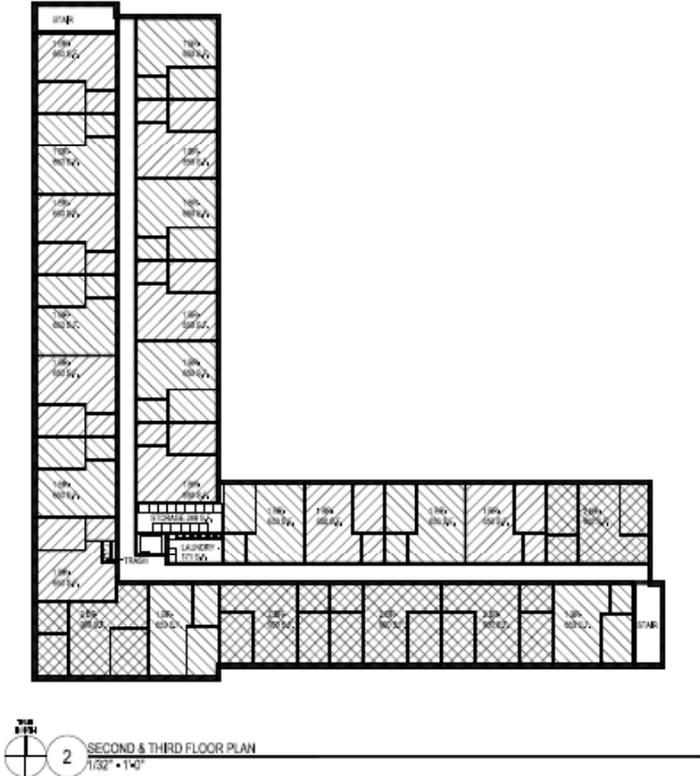
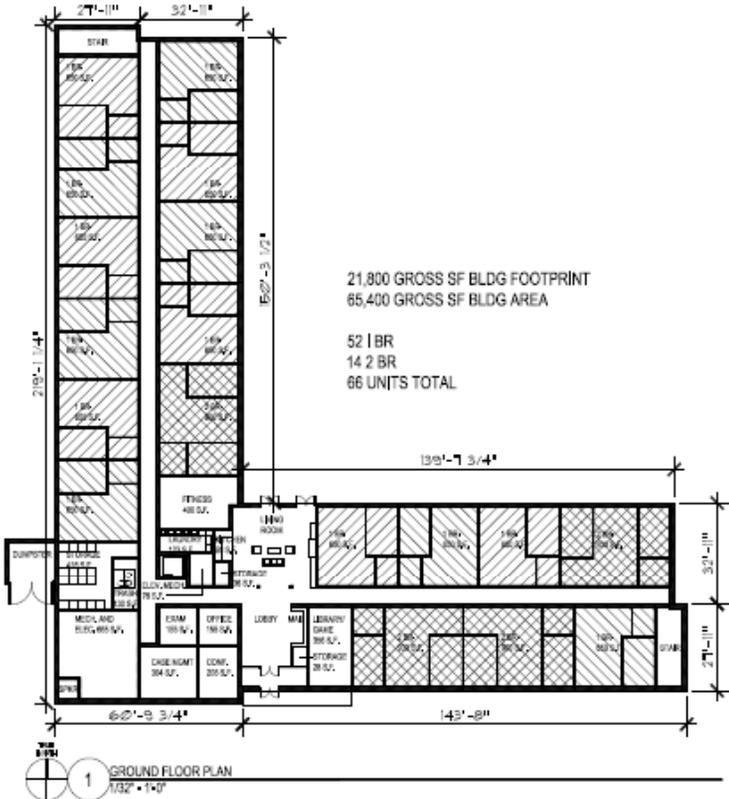


CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS : ENGINEERS :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



# Sugar Grove Senior Living

## Floor Plan



NORTH WEST HOUSING PARTNERSHIP

CORDOGAN, CLARK & ASSOCIATES  
: ARCHITECTS ; ENGINEERS :  
716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



# Sugar Grove Senior Living

## Concepts for South & East Elevations



**CORDOGAN, CLARK & ASSOCIATES**  
 ARCHITECTS ; ENGINEERS ;  
 716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



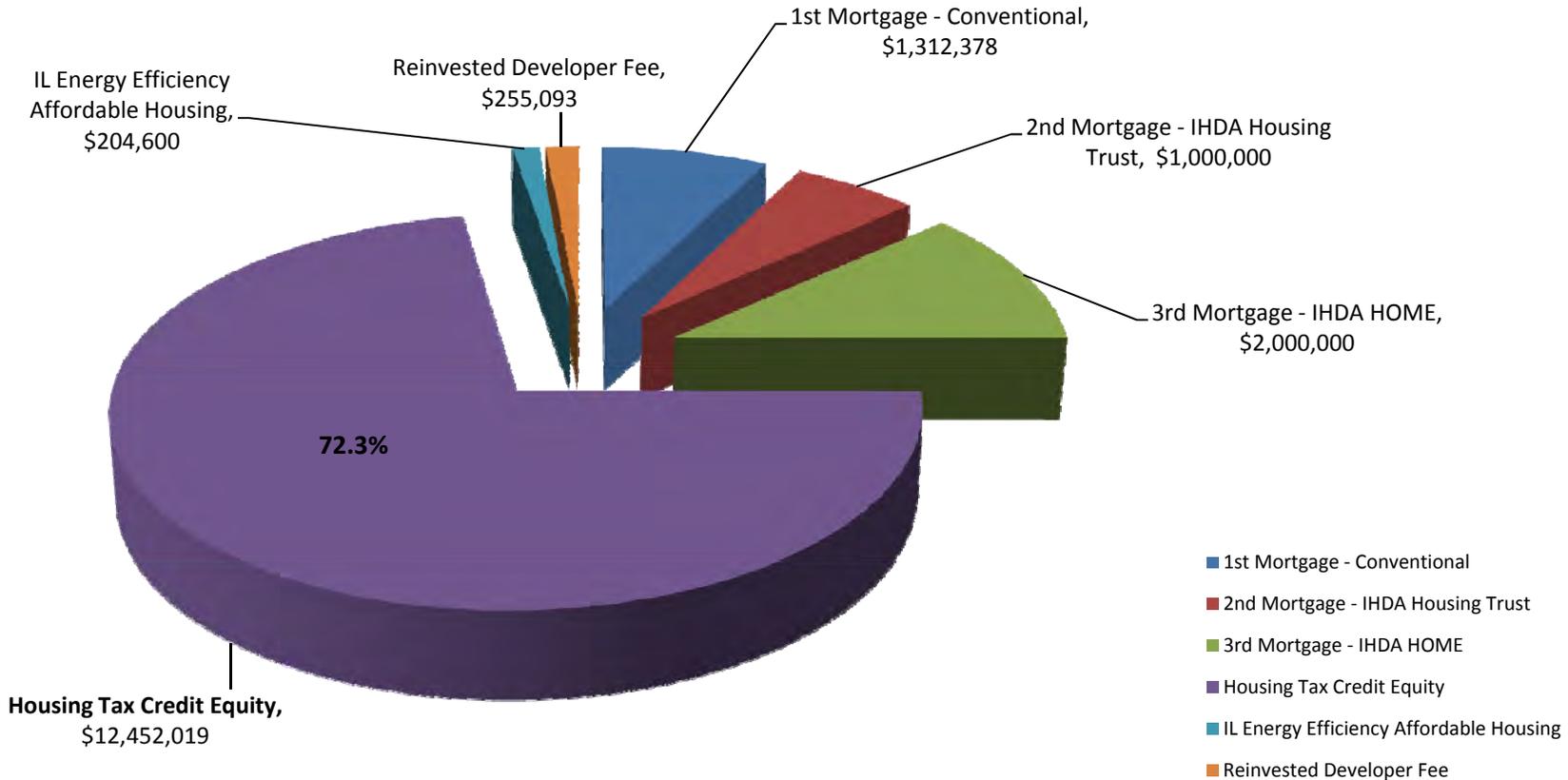
# Sugar Grove Senior Living

## Resident Profile

- Development designed for Sugar Grove area's independent seniors who are over-housed, living with family, etc. without any options
- Reserved for residents with incomes at/below 60% of the median income
- 20% of the units will be targeted to veterans and other seniors on a fixed income at/below 30% of the median income
- Concerted effort made to target senior veterans in the market area via relationships with American Legion, Veteran's Administration, etc.
- Financial test is NOT an asset-based test; just income based:
  - ✓ Social Security
  - ✓ Limited pension
  - ✓ Earned income
- Age restriction is 55 years old, which will be a 30-year commitment and recorded via Indenture of Restrictive Covenant



# Economics of \$17.25 million Development



**CORDOGAN, CLARK & ASSOCIATES**  
 ARCHITECTS ; ENGINEERS ;  
 716 NORTH WELLS STREET CHICAGO, IL 60654 312.943.7300



# Sugar Grove Senior Living

## Project Timeline

- March 2013: Application Deadline for Financing
- July 2013: Secure Financing for Development  
Continue Design & Site Development
- January 2014: Complete Text Amendment and PUD
- May 2014: Financial Closing, Construction Commencement
- May 2015: Construction Completion, Certificate of Occupancy
- July 2015: 100% Qualified Occupancy



## Housing Tax Credit Equity

- \$12.4 million in IRS-sourced tax credits flow to equity investors over 10 years; investors reap federal income tax reduction each year
- Private institutional investors own 99.99% of Sugar Grove Seniors LP for first 15 years via syndicated equity fund with investors like:
  - ✓ BP America, Inc.
  - ✓ Campbell Soup Company
  - ✓ Freddie Mac
  - ✓ Fannie Mae
  - ✓ Google
  - ✓ Allstate
  - ✓ Liberty Mutual
  - ✓ PNC Bank
  - ✓ JP Morgan Chase Bank, NA
- Housing tax credit-financed properties have < 1% default rate since 1986 inception of program; lot of eyes watching this operation



# Comparable Parking Needs

Property Name	City	Total units	Parking Spaces	Spaces / Unit	Daily Cars in Lot (avg)	% of Parking Spaces Actually Used
Englewood Senior Housing	Toledo, OH	38	34	89%	12	35.3%
Library Court Senior Housing	Shaker Heights, OH	44	44	100%	26	59.1%
Church Square Commons	Cleveland, OH	48	29	60%	15	51.7%
Water Tower Place Apts.	Elkhart, IN	52	64	123%	32	50.0%
Chambersburg Seniors	Chambersburg, PA	32	44	138%	22	50.0%
Uniontown Senior Housing	Uniontown, PA	36	36	100%	28	77.8%
Greenway Senior Housing	Ashtabula, OH	51	62	122%	55	88.7%
Frank Cook Senior Housing	Zanesville, OH	60	58	97%	57	98.3%

Average	<b>104%</b>	<b>64%</b>
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**Resolution No. 20130305A**

**RESOLUTION OF SUPPORT FOR THE ALLOCATION OF PRAIRIE PARKWAY FUNDS  
TO THE COMPLETION OF A FULL INTERCHANGE AT IL 47 & I-88**

**WHEREAS**, the Village of Sugar Grove supported the proposed Prairie Parkway; and

**WHEREAS**, said support recognized and was conditioned upon, the improvement of IL 47, including the completion of the IL 47 & I-88 Interchange; and

**WHEREAS**, the northern section of the Prairie Parkway was planned within the Village of Sugar Grove Planning Area, including a full interchange with I-88; and

**WHEREAS**, the Prairie Parkway is no longer being pursued; and

**WHEREAS**, the Federal Highway Administration has determined that the I-88 & IL 47 Interchange Completion Project is eligible for Prairie Parkway earmarked funds; and

**WHEREAS**, approximately \$50-52 million in unallocated funds remain in the Prairie Parkway earmark; and

**WHEREAS**, the completion of the interchange will benefit the environment by reducing vehicle miles traveled, reduce illegal and dangerous U-turns on I-88; and

**WHEREAS**, an Economic and Fiscal Impacts Study of a full interchange at this location found that its construction will stimulate long-term economic development, resulting in over 5,000 permanent new jobs, and increased property, sales, and income taxes, including over \$3.6M annually to the Kaneland School District; and

**WHEREAS**, the construction of this interchange is supported by the Illinois State Toll Highway Authority (Illinois Tollway), Illinois Department of Transportation, Kane County, the City of Aurora, the Village of Elburn, and the Chicago Metropolitan Agency for Planning; and

**WHEREAS**, the Illinois Tollway, Kane County, Village of Sugar Grove, and adjoining land owners are committed to providing funding which will leverage the investment of Prairie Parkway funding to a 250% immediate return.

**NOW THEREFORE BE IT RESOLVED**, by the President and Board of Trustees of the Village of Sugar Grove, Illinois, that they support and urge the allocation of \$8M of Prairie Parkway funding be allocated toward the \$20M cost of completion of a full interchange at IL 47 and I-88.

**PASSED AND APPROVED** by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, on this 5th day of March, 2013.

---

P. Sean Michels  
President of the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois

	Aye	Nay	Absent
Trustee Bohler	_____	_____	_____
Trustee Geary	_____	_____	_____
Trustee Johnson	_____	_____	_____
Trustee Montalto	_____	_____	_____
Trustee Paluch	_____	_____	_____
Trustee Renk	_____	_____	_____

ATTEST: \_\_\_\_\_  
Cynthia L. Galbreath  
Clerk, Village of Sugar Grove

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**VILLAGE OF SUGAR GROVE  
INTEROFFICE MEMORANDUM**

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**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
**FROM:** JUSTIN E. VANVOOREN, FINANCE DIRECTOR  
**SUBJECT:** FISCAL YEAR 2013-2014 BUDGET, WORKSHOP #1, MARCH 5, 2013  
**DATE:** FEBRUARY 27, 2013  
**CC:** BRENT EICHELBERGER, CINDY GALBREATH, RON MOSER, TONY SPECIALE, AND RICH YOUNG

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First of all, I would like to express my appreciation to each department and their staff who assisted and contributed to the preparation of this memo. At the first Budget Workshop on March 5, 2013 the fiscal year 2013 – 2014 General Fund Proposed Budget will be presented. The following items will be discussed:

- A) General Fund Budget Summary – This will include a brief overview of fiscal year 2012 – 2013 projected and fiscal year 2013 – 2014 proposed amounts.
- B) Full Time Equivalent Staffing Levels – This covers the last three fiscal years and the fiscal year 2013 – 2014 proposed staffing.
- C) Revenue and Expenditure Worksheets – These worksheets show detail by line item in general revenues and expenditures by department.
- D) Add Sheets – Suggested additional items for the Board to consider adding to the proposed budget.

Significant items to note when reviewing the attached documents include:

Fiscal Year 2012 – 2013 General Fund

I am pleased to report that the fiscal year 2012 – 2013 General Fund is projected to finish with a \$17,000 surplus versus the budgeted \$9,700 surplus. The surplus is a result of revenues being higher than budgeted by approximately \$88,400 and expenditures being higher than budgeted by approximately \$81,100.

Staff projected and included 0 residential, 6 commercial, and 325 miscellaneous building permits in the fiscal year 2012 – 2013 budget approved by the Village Board. As of February 14, 2013, 4 of the residential, 4 of the commercial, and 205 of the miscellaneous building permits have been issued.

The following are explanations of major revenue differences:

- 1) Utility tax – natural gas (\$18,900) – lower natural gas prices and a mild winter with lower usage causing less revenue;
- 2) Utility tax – telecommunications (\$17,000) – decrease in the number of and usage of land lines;
- 3) Towing fees \$30,000 – number of towing fees collected more than expected;
- 4) State income tax \$88,200 – IML has increased the projected per capita receipts;
- 5) Review and development fees (\$20,700) – developer reimbursable attorney and engineering fees are lower than anticipated; and
- 6) Reimbursement \$27,700 – insurance reimbursements, developer snow plowing, and parkway tree program (resident share) are higher than expected.

The following are explanations of major expenditure differences:

- 1) All departments, medical insurance \$15,300 – health insurance increase lower than expected;
- 2) Administration, insurance premiums \$9,200 – general insurance rates lower than expected;
- 3) Police, salaries, OT, and PT \$17,100 – decrease due to retirement of chief balanced against new contracts, training for staff, and traffic enforcement details;
- 4) Police, pension (\$25,700) – increase due to officer receiving disability pension;
- 5) Police, legal (\$13,200) – increase due to negotiations that took place with the Sergeants;
- 6) Police, other professional services (\$96,300) – increase due to contractual cost of interim chief;
- 7) Police, telecommunications \$28,400 – decrease due to savings based on number of calls and switch to Tri-Com Central Dispatch;
- 8) Police, general equipment (\$25,600) – increase due to purchase of new video cameras utilizing Drug/DUI fines;
- 9) Streets, repair and maintenance services - ROW (\$11,500) – increase is due to 2 street light replacements which were damaged by vehicles for which the Village received reimbursement;
- 10) Building Maintenance, repair and maintenance for buildings (\$11,600) – increase due to carpet replacement per Village Board direction.

#### Fiscal Year 2013 – 2014 General Fund

Staff is proposing a surplus of \$150,900 for fiscal year 2013 – 2014. Total revenue is expected to increase 8.0% from the fiscal year 2012 – 2013 projected actual and 10.3% from the fiscal year 2012 – 2013 approved budget. The Village is showing increases in several revenues (including, but not limited to income and sales tax) as the economy continues to gain strength. Total expenditures are expected to increase by 4.9% from the fiscal year 2012 – 2013 projected actual and 6.9% from the fiscal year 2012 – 2013 approved budget.

### Revenues

Fiscal year 2013 – 2014 revenues are estimated to increase by approximately \$342,600 from estimated actual. Significant changes include:

- 1) Property taxes (increase by \$80,000);
- 2) State income taxes (increase by \$48,600);
- 3) State sales tax (increase by \$155,500); and
- 4) Review and development fees (increase by \$35,000).

Staff has not increased any licenses, fines, or building related fees in the fiscal year 2013 – 2014 budget. Staff is proposing a 9% decrease in contractor license fees from \$165 to \$150.

### Expenditures

Fiscal year 2013 – 2014 expenditures are estimated to increase by approximately \$208,800 from estimated actual. Significant changes include:

### Personnel

Village-wide staffing levels are proposed to increase slightly from 37.663 Full Time Equivalents (FTE) to 38.163. This reflects the addition of a part-time administrative officer, as well as the replacement of a full-time patrol officer with five part-time patrol officers.

The proposed budget includes required cost of living and step increases in accordance with contracts. Non-represented employees are scheduled to receive an average market increase of 1.75% on May 1, as well as step increases for those that are not at the top of their range.

The overall health insurance premium (cost shared between the Village and employees) is budgeted to increase by 12.5%. In addition, the Village has budgeted for health related incentives for those employees who meet certain requirements.

### Information Technology

- 1) Scheduled replacement of exchange server (every 5 years) – \$6,800 total (\$3,400 in General Fund)

### Administration

- 2) IRMA liability insurance premiums (based on historical claims and average increase) – \$19,600

### Police

- 3) Pension (new disability claim) - \$28,200
- 4) Legal services (end of negotiations with represented employees) – (\$23,400)
- 5) Other professional services (end of interim chief contract) – (\$98,500)

- 6) Telecommunications (dispatch services agreement with Tri-Com) – \$67,900
- 7) General equipment (prior year purchase of squad video cameras) – (\$25,600)

Streets

- 8) Landscaping supplies (increase in the parkway tree program and included tree program for new houses) – \$13,600
- 9) Snow and ice control supplies (increase in the cost of salt due to new contract) – \$16,500

Community Development

- 10) Other professional services (Unified Development Code for which the Village has applied for a Kane County grant) – \$45,000

Add Sheets

The following items have already been included in the General Fund budget.

- 1) Police part-time administrative officer – \$34,100
- 2) Public Works contractual custodial services – \$10,000
- 3) Village wellness incentive program – \$10,500

In addition, the following items are presented for Board consideration for possible inclusion in the fiscal year 2013 – 2014 budget. They fall within the proposed \$150,900 surplus.

- 1) Village economic development infrastructure – \$115,000
- 2) Parkway tree replacement program – \$10,000
- 3) Restoration of Sidewalk Replacement Program – \$10,000
- 4) Handgun standardization – \$7,700